
A

**CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS**

ISSUED BY

**THE GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
(AUTHORIZING BODY)**

ISSUED TO

**FOREST ACADEMY
(A PUBLIC SCHOOL ACADEMY)**

CONFIRMING THE STATUS OF

FOREST ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

DATED: JULY 1, 2011

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Contract to Charter a Public School Academy

Pursuant to Part 6a of the Revised School Code ("Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") issues a contract to Forest Academy (the "Academy"), to be effective July 1, 2011, confirming the Academy's status as a public school academy in this State. The Parties agree that the issuance of this Contract is subject to the following Terms and Conditions:

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever capitalized, shall have the meaning set forth in this section:

- a) **Academy** means the Michigan non-profit corporation authorized by this Contract.
- b) **Academy Board** means the Board of Directors of the Academy authorized by this Contract. **Academy Board member** or **Academy Director** means an individual who is a member of the Academy Board, whether in the past, present or future.
- c) **Applicable Law** means all state and federal law applicable to public school academies.
- d) **Applicant** means the person or entity that submitted the public school academy application to the University for the establishment of the Academy.
- e) **Application** means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- f) **Authorization Resolution** means the resolution adopted by the Grand Valley State University Board of Trustees approving the issuance of a Contract.
- g) **Charter School** means public school academy.
- h) **Code** means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- i) **Contract** means, in addition to the definitions set forth in the Code, the Terms and Conditions and the Schedules.
- j) **Educational Management Organization** means a person or entity that meets the definition of an Educational Management Organization as that term is used in Part 6a of the Code, including an entity that has entered, or entities that may in the future enter, into an agreement with the Academy.
- k) **Fund Balance Deficit** means the Academy has more liabilities than asset at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing from, or monetary contribution by an Educational Management Organization or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support

from an Educational Management Company or other person or entity that does not require repayment by the Academy, and is not conditioned upon the actions or inactions of the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.

- l) **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Charter Schools Office may amend the MCRR each fiscal year or at other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.
- m) **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of members, qualification of Board Academy members and other pertinent provisions relating to the Academy Board.
- n) **Resolution** means any resolution adopted by the Grand Valley State University Board of Trustees.
- o) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.
- p) **Terms and Conditions** means this document entitled Terms and Conditions of Contract issued by the Grand Valley State University Board of Trustees.
- q) **University** means Grand Valley State University established pursuant to Article VIII, Sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.841 *et seq.*
- r) **University Board** means the Grand Valley State University Board of Trustees.
- s) **University Charter Schools Hearing Panel or Hearing Panel** means such person(s) as designated by the University President.
- t) **University Charter Schools Office or CSO** means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for public school academy applicants and public school academies authorized by the University Board. The University Charter Schools Office is also responsible for managing, implementing, and overseeing the University Board's responsibilities with respect to the Contract.
- u) **University Charter Schools Office Director or CSO Director** means the person designated by the University President to administer the operations of the University Charter Schools Office.
- v) **University President** means the President of Grand Valley State University or his or her designee.

Section 1.2. Schedules. All Schedules to this Contract are part of this Contract.

Section 1.3. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.4. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in the Contract shall control.

Section 1.5. Conflicting Contract Provisions. In the event that there is a conflict between the language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

ARTICLE II

ROLE OF GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES AS AUTHORIZING BODY

Section 2.1. University Board Resolutions. For purposes of this Contract, the University Board has adopted the following resolutions:

(a) Method of Selection Resolution. The University Board has adopted the Method of Selection Resolution which is incorporated into this Contract as part of Schedule 1. At anytime and at its sole discretion, the University Board may amend the Method of Selection Resolution. Upon University Board approval, changes to the Method of Selection Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of the Terms and Conditions.

(b) Authorizing Resolutions. The University Board has adopted the Authorizing Resolution which is incorporated into this Contract as part of Schedule 1.

Section 2.2. Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract and incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:

- a) In the event that the University President determines that the Academy's educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of

student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.

- b) Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
- c) Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.
- d) The Academy shall permit review of the Academy's records and inspection of its premises at any time by representatives of the University. Normally, such inspections shall occur during the Academy's hours of operation and after advance notice to the Academy.

Section 2.3. University Board Administrative Fee. During the term of this Contract, the Academy shall pay the University Board an administrative fee of 3% of the state school aid payments received by the Academy. For purposes of this Contract, state school aid payments received by the Academy in July and August in any given year shall be deemed to have been received by the Academy during the Contract term. This fee shall be retained by the University Board from each state school aid payment received by the University Board for forwarding to the Academy. This fee shall compensate the University Board for issuing the Contract and overseeing the Academy's compliance with the Contract and all Applicable Law.

Section 2.4. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. The University Board shall, within three (3) business days, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The University Board shall retain any amount owed to the University Board by the Academy pursuant to this Contract. For purposes of this section, the responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 4.

Section 2.5. Authorization of Employment. The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 7-3. However, the Academy Board shall prohibit any individual from being employed by the Academy, an Educational Management Organization or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy Board may contract with an Educational Management Organization or an employee leasing company to provide persons to perform work at the Academy. Before entering into an agreement with an Educational Management Organization or an employee leasing company to provide persons to perform work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Charter Schools Office. A copy of the agreement between the Academy Board and the Educational Management Organization or employee leasing company shall be included as part of Schedule 7-3.

Section 2.6. Financial Obligations of the Academy are Separate from the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

Section 2.7. Academy Has No Power to Obligate or Bind State of Michigan, University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.8. Authorizing Body Contract Authorization Process. Pursuant to the Code, the Authorizing Body is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract term without any further action of either the Academy or the Authorizing Body. Prior to the end of the Contract term, the Authorizing Body shall provide a description of the process and standards by which the Academy may be considered for the issuance of a new contract. The timeline for consideration of whether to issue a new contract to the Academy shall be solely determined by the Authorizing Body. The standards for issuance of a contract to the Academy shall include the requirements established by the Authorizing Body and the standards and criteria established under Applicable Law. The Authorizing Body, at its sole discretion, may change its process and standards for issuance of a contract at anytime, and any such changes shall take effect automatically without the need for any amendment to this Contract. Consistent with the Code, the Authorizing Body may elect, at its sole discretion, not to consider the issuance of a contract, consider reauthorize of the Academy and elect to not issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

Section 3.1. Governmental Agency or Entity and Political Subdivision. The Academy shall act exclusively as a governmental agency or entity and political subdivision.

Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 and Section 6.15 of the Terms and Conditions, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. Academy's Purpose. The Academy Board shall identify the purpose or mission of the Academy. Any subsequent changes to the Academy's purpose or mission shall be carried out by amendment in accordance with Article IX of these Terms and Conditions. The Academy's stated purpose or mission shall be set forth in the Schedules.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to Section 9.2 of Article IX herein, the Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy's Articles of Incorporation as of the date set forth above.

Section 5.2. Bylaws. Unless amended pursuant to Section 9.3 of Article IX herein, the Bylaws of the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy's Bylaws as of the date set forth above.

ARTICLE VI

OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the governance structure as set forth in its Bylaws. The Academy's Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.

Section 6.2. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of the University. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University receives contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions. Upon request, the Academy shall provide the University Charter Schools Office with a written report, along with supporting data, assessing the Academy's progress toward achieving its goal(s).

Section 6.4. Curriculum. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in the Schedules. Any changes to the curricula shall be administered pursuant to Section 9.1 of Article IX of the Terms and Conditions, and such proposed

curricula shall be designed to achieve the Academy's overall educational goals and State's educational assessment test.

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Section 6.6. Staff Responsibilities. Subject to Section 2.5 Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Management Company. A copy of the management agreement shall be included in the Schedules.

Section 6.7. Admission Policy. The Academy shall comply with all application, enrollment and admissions policies and criteria required by Applicable Law. A copy of the Academy's admission policies and criteria are set forth in the Schedules.

Section 6.8. School Calendar/School Day Schedule. The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by Applicable Law. The Academy agrees to make available to the University Charter Schools Office a copy of the School Calendar/School Day Schedule for each academic school year no later than July 1st. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under Article IX of the Terms and Conditions.

Section 6.9. Age/Grade Range of Pupils Enrolled. The Academy is authorized to operate Kindergarten through Sixth (K-6) grades. The Academy may add additional grades and vocational programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.10. Annual Financial Audit. The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles. The Academy shall submit the annual financial statement audit and auditor's management letter to the Charter Schools Office in accordance with the MCRR. The Academy Board shall provide to the Charter Schools Office a copy of any responses to the auditor's management letter in accordance with the MCRR.

Section 6.11. Address and Description of Proposed Site(s). The proposed address and physical plant description of the Academy's proposed site or sites is set forth in Schedule 7-8. For purposes of this Contract, the Academy shall be in violation of the site requirements set forth in this Contract if the Academy operates at a site or sites without first obtaining the written authorization of the University Board. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this Contract by amendment.

Section 6.12. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with Applicable Law.

Section 6.13. Placement of University Student Interns. The Academy may be a placement site for University students who are in education or other pre-professionals in training to serve in public schools. Such placement shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school academy, the Academy shall provide a draft copy of the agreement to the Authorizing Body for review. Any matriculation agreement entered into by the Academy shall be added to Schedule 7-5 of this Contract through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

ARTICLE VII

TUITION PROHIBITED

Section 7.1. Tuition Prohibited: Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by law.

ARTICLE VIII

COMPLIANCE WITH PART 6A OF THE CODE AND OTHER LAWS

Section 8.1. Compliance with Part 6a of the Code. The Academy shall comply with Part 6a of the Code.

Section 8.2. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School

Aid Act for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 8.3. Open Meetings Act. Pursuant to Section 503(6)(a) of the Code, the Academy Board shall conduct all of its meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.

Section 8.4. Freedom of Information Act. Pursuant to Section 503(6)(b) of the Code, the records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act ("FOIA"), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 8.5. Public Employees Relations Act. Pursuant to Section 503(6)(c) of the Code, the Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 8.6. Prevailing Wage on State Contracts. The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 1965, being Sections 408.551 to 408.558 of the Michigan Compiled Laws.

Section 8.7. Uniform Budgeting and Accounting Act. The Academy shall comply with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of 1968, being MCL 141.421 to 141.440a.

Section 8.8. Revised Municipal Finance Act of 2001. With respect to the Academy's borrowing money and issuance of bonds, the Academy shall comply with section 1351a of the Code and Part VI of the Revised Municipal Finance Act of 2001, Act No. 34 of the Public Acts of 2001, being MCL 141.2601 to 141.2613 of the Michigan Compiled Laws, except that the borrowing of money and issuance of bonds by the Academy is not subject to section 1351a(4) or section 1351(2) to (4) of the Code. Bonds issued by the Academy are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Section 8.9. Non-discrimination. The Academy shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti-discrimination laws such as the Elliott-Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 37.2101 to 37.2804, the Michigan Handicappers' Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 *et seq.* or any successor law.

Section 8.10. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 8.11. Federal Laws. The Academy shall comply with federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE IX

AMENDMENT

Section 9.1. Process for Amending the Contract. Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. Except as provided in Sections 2.1, 5.1 and 6.11, the University Board delegates to its University President the review and approval of changes or amendments to this Contract. The Academy Board may delegate the same authority to the Academy Board President. The Contract shall be amended upon agreement and approval of the respective authorized designees.

Section 9.2. Process for Amending Academy Articles of Incorporation. The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy's Articles of Incorporation. The Academy shall be authorized to make such changes to its Articles upon a majority vote of the University Board members attending a University Board meeting. Upon University Board approval, the Academy Board's authorized designee is authorized to file the amendment to the Academy's Articles of Incorporation with the appropriate state agency. Upon receipt of the filed amendment, the Academy shall forward the filed amendment to the University Charter Schools Office. The filed amendment shall be automatically incorporated into Schedule 2 of this Contract upon receipt of the amendment by the University Charter Schools Office. If the University identifies a provision in the Articles of Incorporation that violates or conflicts with this Contract, due to a change in law or other reason, after approval has been given, it shall notify the Academy Board in writing and the Academy Board shall amend the Articles of Incorporation to make them consistent with the Contract. If the change is requested by the University, the University shall reimburse the Academy for the filing fees.

Section 9.3. Process for Amending Academy Bylaws. The Academy Board shall submit proposed Bylaw changes to the Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy's Bylaws, and any subsequent or proposed changes to the Academy's Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board's Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board Bylaw change made in accordance with this Section 9.3.

Section 9.4. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing laws as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X

TERMINATION, SUSPENSION AND REVOCATION

Section 10.1. Grounds and Procedures for Academy Termination of Contract. At anytime and for any reason, the Academy Board may terminate this Contract. The Academy Board shall notify the

CSO Director in writing of the request for the termination of the Contract not less than ten (10) calendar months in advance of the effective date of termination. The University Board, in its sole discretion, may waive the ten (10) month requirement. A copy of the Academy Board's resolution approving the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the written termination request.

Section 10.2. Termination by the University Board. The University Board may terminate this Contract before the end of the Contract Term as follows:

(a) Termination Without Cause. Except as otherwise provided in subsections (b), (c) or (d), the University Board, in its sole discretion, reserves the right to terminate this Contract before the end of the Contract Term for any reason provided that such termination shall not take place less than ten (10) calendar months from the date of the University Board's resolution approving such termination. The University Charter Schools Office shall provide notice of the termination to the Academy. If during the period between the University Board's action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the University Board may elect to initiate suspension or revocation of the Contract as set forth in this Article X.

(b) Termination Caused by Change in Applicable Law. Following issuance of this Contract, if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then the University Board may terminate the Contract at the end of the Academy's school fiscal year in which the University Board's decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:

(i) the issuance of an order by the Superintendent of Public Instruction, pursuant to Section 1280c of the Code, placing the Academy under the supervision of the State School Reform/Redesign Officer; or

(ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280c of the Code.

(c) Automatic Termination Caused By Placement of the Academy in State School Reform / Redesign School District. If the Academy is notified by the State that the Academy will be placed on the State School Reform/Redesign School District pursuant to Section 1280c of the Code, then the University Board may terminate this Contract at the end of the current school year.

(d) Automatic Termination For Failure to Satisfy Requirements During the Initial Term of Contract. If the Academy fails to satisfy the requirements set forth in Section 12.14 during the initial term of Contract, then this Contract shall automatically terminate on the date set forth in Section 12.14.

The revocation procedures in 10.6 shall not apply to a termination of this Contract under this section.

Section 10.3. Contract Suspension. The University Board's process for suspending the Contract is as follows:

a) University President Action. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board (i) has placed staff and/or students at risk; (ii) is not properly exercising its fiduciary obligations to protect and

preserve the Academy's public funds and property; (iii) has lost its right to occupancy of the physical facilities described in Section 6.11, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities; or (iv) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately suspend the Contract. If the conditions or circumstances involve an alleged violation of Sections 10.5(e) or (f), the University President is authorized to suspend the Contract immediately pending completing of the procedures set forth in Section 10.6. Unless otherwise specified in the suspension notice, the Academy shall cease operations on the date on which the suspension notice is issued. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

- b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the University President to suspend the Contract may be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury.
- c) Immediate Revocation Proceeding. If the Academy Board, after receiving a Suspension Notice from the University President continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a Revocation Hearing in accordance with the procedures set forth in Section 10.6(e) of the Terms and Conditions. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the University Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with Section 10.6(f) through (i).

Section 10.4. Statutory Grounds for Revocation. In addition to the grounds for an automatic revocation of the Contract as set forth in Section 10.8, this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.6, that one or more of the following has occurred:

- a) Failure of the Academy to abide by and meet the educational goals set forth in this Contract;
- b) Failure of the Academy to comply with all Applicable Law;
- c) Failure of the Academy to meet generally accepted public sector accounting principles; or
- d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.5. Other Grounds for Authorizing Body Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation of the Contract set forth in Section 10.8, the Authorizing Body may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- a) The Academy is insolvent, has been adjudged bankrupt, or has operated for one or more school fiscal year(s) with a Fund Balance Deficit;

- b) The Academy has insufficient enrollment to successfully operate the Academy, or the Academy has lost more than twenty-five percent (25%) of its student enrollment from the previous school year;
- c) The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- d) The Academy files amendments to its Articles of Incorporation with the appropriate state agency without first obtaining University Board approval;
- e) The University Board discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy's directors, officers, employees or agents in relation to their performance under this Contract;
- f)
- g) The Applicant, the Academy's directors, officers or employees have provided false or misleading information or documentation to the University Board in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law;
- h) The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University Board; or
- i) The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any educational management agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

Section 10.6. Authorizing Body Procedures for Revoking Contract. Except for the automatic revocation process set forth in Section 10.8 or the termination of Contract by the Authorizing Body in Section 10.7, the Authorizing Body's process for revoking the Contract is as follows:

- a) Notice of Intent to Revoke. The CSO Director or other University representative, upon reasonable belief that such grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
- b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the CSO Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the CSO Director prior to a review of the Academy Board's response.

- c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, whichever is sooner, the CSO Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, the CSO Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be withdrawn if the CSO Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction. In the event the Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal.
- d) Plan of Correction Shall Include Conditions to Satisfy University Board's Contract Reconstitution Obligation. As part of the Plan of Correction, the CSO Director may reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) cancellation of a contract with an Educational Management Organization; (ii) removal of 1 or more members of the Academy Board members; (iii) termination of at-will board appointments of 1 or more Academy Board members; (iv) withdrawal of the Academy's authorization to contract with an Educational Management Company; or (v) the appointment of a new Academy Board of directors or a conservator/trustee to take over operations of the Academy.
- e) Request for Revocation Hearing. The CSO Director or other University representative may initiate a revocation hearing before the University Charter Schools Hearing Panel if the CSO Director determines that any of the following has occurred:
- i) the Academy Board has failed to timely respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
 - ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
 - iii) the Academy Board's response admits violations of the Contract or Applicable Law which the CSO Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the CSO Director determines that a Plan of Correction cannot be formulated;
 - iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
 - v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
 - vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
 - vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The CSO Director or other University representative shall send a copy of the Request for Revocation Hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The Request for Revocation Hearing shall identify the reasons for revoking the Contract.

- e) Hearing before University Charter Schools Hearing Panel. Within thirty (30) days of the date of a Request for Revocation Hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the Notice of Hearing to the University Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the CSO Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the CSO Director or other University Representative. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel, may, however, question the CSO Director and one or more members of the Academy Board. Within thirty (30) days of the Revocation Hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. In its discretion, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the University Charter Schools Office and the Academy Board at the same time that the recommendation is sent to the University Board.
- f) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available copies of the Hearing Panel's recommendation and the transcript of the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the University Charter Schools Office, the Academy Board and the Michigan Department of Education.
- g) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board, but no later than the last day of the Academy's current academic year.
- h) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be held by the University Board and returned to the Michigan Department of Treasury.
- i) Disposition of School Code Number. Notwithstanding any other provision of the Contract, after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, the district code number shall remain under the direction and control of the State Board of Education and/or its designated representative.

Section 10.7. Termination by Authorizing Body. The Authorizing Body may terminate this Contract before the end of the Term as follows:

(a) Termination With or Without Cause. Except as otherwise provided in subsections (b) or (c), the Authorizing Body, in its sole discretion, reserves the right to terminate the Contract for any reason provided that such termination shall not take place less than one (1) year from the date of the Authorizing Body's action. The University Charter Schools Office shall provide notice of the termination to the Academy. If during the period between the Authorizing Body action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner or the Authorizing Body may take superintending control actions pursuant to Section 10.6.

(b) Termination Caused by Change in Applicable Law. Following issuance of this Contract, if there is a change in Applicable Law that the Authorizing Body, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the Authorizing Body to make changes in the Contract that are not in the best interest of the Authorizing Body or the University Board, then the Authorizing Body may terminate the Contract at the end of the Academy's school fiscal year in which the Authorizing Body's decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:

(i) the issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280C of the Code, placing the Academy under the supervision of the State School Reform/ Redesign Officer; or

(ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280C of the Code.

(c) Automatic Termination Caused By Placement of Academy in State School Reform/ Redesign School District. If the Academy is placed in the State School Reform/ Redesign School District pursuant to Section 1280C of the Code, then the Authorizing Body may terminate this Contract at the end of the current school year.

The revocation procedures in Section 10.3 shall not apply to a termination of this Contract under this Section 10.7.

Section 10.8. Automatic Revocation by State of Michigan. If the Authorizing Body is notified by the Superintendent of Public Instruction that the Academy is subject to closure under Part 6a of the Code ("State's Automatic Closure Notice"), then this Contract shall automatically be revoked at the end of the current school year in which the notice is received without any further action of the Authorizing Body or the Academy. The Authorizing Body's revocation procedures set forth in Section 10.3 do not apply to an automatic revocation initiated by the State.

Following receipt of the State's Automatic Closure Notice, the Authorizing Body shall forward a copy of the State's Automatic Closure Notice to the Academy Board and request a meeting with Academy Board representatives to discuss the Academy's plans and procedures for wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Revocation Notice shall be directed to the Superintendent of Public Instruction, in a form and manner determined by that office or the Department.

Section 10.9. Material Breach of Contract. The issuance of order by the Superintendent of Public Instruction, pursuant to section 1280C of the Code, placing the Academy under the supervision of the State School Reform/ Redesign Officer, shall constitute a material breach of this Contract. Following the issuance of the order, the Authorizing Body shall send notice to the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan that is acceptable to

the Authorizing Body. In addition to other matters, the corrective action plan shall include the Academy's redesign plan prepared pursuant to section 1280C of the Code. The development of a corrective action plan under this Section 10.10 shall not in any way limit the rights of the Authorizing Body to suspend, terminate or revoke this Contract.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. Grand Valley State University Faculty Employment in the Academy. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use University faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to Grand Valley State University Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the University faculty.

Section 11.3. Student Conduct and Discipline. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.

Section 11.4. Insurance. The Academy shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverage:

- a) Property insurance covering all of the Academy's real and personal property, whether owned or leased;
- b) General/Public Liability with a minimum of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate (Occurrence Form);
- c) Auto Liability (Owned and Non-Owned) with a minimum of one million dollars (\$1,000,000) (Occurrence Form);
- d) Workers' Compensation or Workers' Compensation without employees "if any" insurance (statutory limits) and Employers' Liability insurance with a minimum of five hundred thousand dollars (\$500,000);
- e) Errors & Omissions insurance including Directors & Officers and School Leaders Errors & Omissions Liability insurance with a minimum of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate (Claims Made or Occurrence Form);
- f) Crime including employee dishonesty insurance with a minimum of five hundred thousand dollars (\$500,000); and
- g) Employment Practices Liability insurance with a minimum of one million dollars (\$1,000,000) per claim/aggregate (Claims Made or Occurrence Form).

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The insurance carrier(s) must be an "A" best rating or better. The Academy may join with other public school academies to obtain insurance if the Academy

finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured.

The Academy shall list the University Board and the University on the insurance policies as an additional insured with primary coverage on insurance coverage listed in (b), (c), (e), and (g) above. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy or of changes in insurance carrier or policy limit changes. In addition, the Academy shall provide the University President copies of all insurance certificates and endorsements required by this Contract. The Academy shall also provide to the University Charter Schools Office an entire copy of the insurance policies. The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimum may be required depending upon academic offerings and program requirements.

The Academy understands that the University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.4, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

Section 11.5. Transportation. The Academy Board may enter into contract with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation. In the event that the Academy Board contracts for transportation services, the Academy Board shall ensure that the company providing the transportation services is properly licensed in accordance with Applicable Law, and that the company conducts criminal background and history checks on its drivers and other personnel who have direct contact with pupils in accordance with the Code.

Section 11.6. Extracurricular Activities and Interscholastic Sports. The Academy is authorized to join any organization, association, or league, which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.7. Legal Liabilities and Covenants Not to Sue. The Academy and Academy Board members acknowledge and agree that they have no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy and Academy Board members hereby covenant not to sue the University Board, the University or any of its trustees, officers, employees, agents or representatives for any matters that arise under this Contract or otherwise. The University does not assume any obligation with respect to any Academy Director, employee, agent, parent, guardian, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, termination or revocation of this Contract.

Section 11.8. Lease or Deed for Proposed Single Site(s). The Academy shall provide to the designee of the University Board copies of its lease or deed for the premises in which the Academy shall operate. A copy of the Academy's lease or deed and site information shall be incorporated into the Schedules.

Section 11.9. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that all physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates. The Academy Board shall not conduct classes at any site until the Academy has complied with this Section 11.9. Copies of these certificates shall be incorporated into the Schedules.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy.

Section 11.11. Required Provisions for Educational Management Organization Agreements. Any educational management organization agreement entered into by the Academy must contain the following provisions:

"Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the Application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the Educational Management Organization, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement."

"Revocation or Termination of Contract. If the Academy's Contract issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or termination without further action of the parties."

"Compliance with Academy's Contract. The Educational Management Organization agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by Grand Valley State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement."

Section 11.12. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the

Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed a prohibited conflict of interest for purposes of this Contract:

(a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or paid consultant of an Educational Management Organization that has an agreement with the Academy;

(b) An individual simultaneously serving as an Academy Board member and an Academy employee;

(c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;

(d) An individual simultaneously serving as an Academy Board member and as a member of the governing board of another public school; and

(e) An individual simultaneously serving as an Academy Board member and a University employee or paid consultant.

Section 11.13. Certain Familial Relationships Prohibited. No person shall be eligible to serve as an Academy Board member if the person's spouse, child, parent, or sibling has: (i) an ownership interest in the Educational Management Organization; or (ii) if the person's spouse, child, parent, or sibling is in a managerial, administrative or officer position with the Educational Management Organization.

Section 11.14. Dual Employment Positions Prohibited. Any person working at the Academy is prohibited by law from being employed at the Academy in more than one full-time position and simultaneously being compensated for each position.

Section 11.15. Information Available to the Public and University.

(a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 6, available to the public and the University.

(b) Information to be provided by Educational Management Organization. The agreement between the Academy and the Educational Management Organization shall contain a provision requiring the Educational Management Company to make information concerning the operation and management of the Academy, including the information in Schedule 6, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under subparagraph (a).

Section 11.16. Authorizing Body Invitation to Apply to Convert Academy to School of Excellence. If the Authorizing Body is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6e of the Code, MCL 380.551 et seq. ("Part 6e"), and the University Board determines that the Academy meets the University Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite the Academy to submit an application to apply for a contract to convert the Academy to a School of Excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

ARTICLE XII

GENERAL TERMS

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given; (i) upon actual delivery, if delivery by hand; or (ii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other person or address as the respective party may designate by notice delivered pursuant hereto:

If to Grand Valley State University Board of Trustees:

Charter Schools Office Director
Grand Valley State University
201 Front Avenue, SW., Suite 310
Grand Rapids, Michigan 49504

If to Academy:

Academy Board President
5196 Comstock Avenue
Kalamazoo, MI 49048

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of Applicable Law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12.4. Entire Contract. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by either party.

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Indemnification. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to

reasonable attorney fees, expert and other professional fees), settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's receipt, consideration or approval of the Application, the University Board's approval of the Method of Selection Resolution or the Authorizing Resolution, legal challenges to the validity of Part 6a of the Code or actions taken by the University Board as an authorizing body under Part 6a of the Code, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to comply with the Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.8. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.9. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.10. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. Except as otherwise provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.11. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.12. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.13. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.14. Term of Contract.

(a) Initial Term of Contract. Except as otherwise provided in Section 12.14 (b) and (c) set forth below, this Contract shall commence on July 1, 2011 and shall remain in full force and effect until June 30, 2018, unless sooner terminated according to the terms hereof.

(b) Termination of Contract During Initial Term of Contract. Consistent with the procedures set forth in this Section 12.14(b), this Contract will terminate on June 30, 2018, if the Academy fails to satisfy all of the following conditions:

- (i) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's agreements with any Educational Management Organization. The terms and conditions of the agreements must be acceptable to the University President.

- (ii) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's real property leases, sublease or other agreements set forth in the Schedules.
- (iii) The Academy, through legal counsel, shall provide a legal opinion to the Charter Schools Office Director confirming that the Academy Board's approval and execution of any real property lease or other agreement with Educational Management Organization complies with the Contracts of Public Servants with Public Entities statute, MCL 15.321 et seq.
- (iv) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of an AHERA asbestos plan and lead based paint survey for the site or sites set forth in the Schedules.
- (v) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/ approval for the site or sites set forth in the Schedules.
- (vi) The Academy shall provide documentation to the Charter Schools Office Director confirming that the Academy has received occupancy approval from the Michigan Department of Consumer and Industry Services' Office of Fire Safety for the site or sites set forth in the Schedules.
- (vii) The Academy shall provide documentation to the Charter Schools Office Director that it has obtained a short-term cash flow loan to cover the initial cost of operations for the initial academic year. The Academy shall comply with section 1225 of the Revised School Code and the Revised Municipal Finance Act with respect to approving and obtain such funds.
- (viii) Any additional financial information or documentation requested by the University President.
- (ix) If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2011, then this Contract is automatically terminated without further action of the parties

The Academy shall notify the Charter Schools Office in writing following completion of the conditions set forth in this Section 12.14(b). For good cause, the Charter Schools Office Director may extend the deadlines set forth above. If the Charter Schools Office Director determines that the Academy has not satisfied the conditions set forth in this Section 12.14(b), the Charter Schools Office Director shall issue a Contract termination letter to the Academy for failing to meet certain conditions set forth in this Section 12.14(b). The issuance of the termination letter by the Charter Schools Office Director shall automatically terminate this Contract without any further action by either the University Board or the Academy Board. Upon issuance of the termination letter, the Charter Schools Office Director shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

(c) Extended Term of Contract. If the Academy satisfies the conditions set forth above in Section 12.14(b), this Contract shall be extended for seven (7) additional academic years and shall expire on June 30, 2025, unless sooner terminated according to the terms hereof ("Contract Term").


Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.4, Section 11.11, Section 12.7, and any other provision of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.16. Termination of Responsibilities. Upon termination or revocation of this Contract, the University Board and its designees shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract.

Section 12.17. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation and in accordance with Applicable Law.

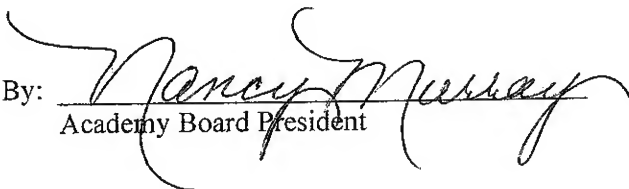
As the designated representative of the Grand Valley State University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

GRAND VALLEY STATE UNIVERSITY
BOARD OF TRUSTEES

By: 
University President or his designee

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this Contract.

FOREST ACADEMY

By: 
Academy Board President

SCHEDULE 1

**METHOD OF SELECTION RESOLUTION
AUTHORIZING RESOLUTION**



CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF
GRAND VALLEY STATE UNIVERSITY ON APRIL 29, 2011:

Forest Academy 6a Contract

WHEREAS, the Michigan Legislature has provided for the establishment of public school academies as part of the Michigan public school system by enacting Act No. 362 of the Public Acts of 1993; and

WHEREAS, according to this legislation, the Grand Valley State University Board of Trustees (the "Board of Trustees"), as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate public school academies; and

WHEREAS, the Michigan Legislature has mandated that public school academy contracts be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy; and

WHEREAS, the Grand Valley State University Board of Trustees, having requested applications for organizing public school academies and having reviewed the applications according to the provisions set forth by the Michigan Legislature;

NOW, THEREFORE, BE IT RESOLVED:

1. That the application for Forest Academy ("Academy"), located at 5196 Comstock Avenue, Kalamazoo, MI 49048, submitted under Section 502 of the Revised School Code, meets the Board of Trustees' requirements and the requirements of applicable law, is therefore approved;



2. That the Board of Trustees establishes the method of selection, length of term and number of members of the Academy's Board of Directors as follows:

Method of Selection and Appointment of Academy Board Members:

- a. Initial Academy Board Member Nominations and Appointments: As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. Subsequent Academy Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public

school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

3. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
4. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
5. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board

member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

6. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
7. Vacancy: An Academy Board position shall be considered vacant when an Academy Board member:
 - a. Resigns
 - b. Dies
 - c. Is removed from Office
 - d. Is convicted of a felony
 - e. Ceases to be qualified
 - f. Is incapacitated
8. Filling a Vacancy: The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
9. Number of Academy Board Member Positions: The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
10. Quorum: In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

11. Manner of Acting: The Academy Board shall be considered to have “acted,” when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

12. Initial Members of the Board of Directors: The Grand Valley State University Board of Trustees appoints the following persons to serve as the initial members of the Academy’s Board of Directors for the designated term of office set forth below:

Nancy Lindahl	1 year term expiring June 30, 2012
Nancy J. Murray	2 year term expiring June 30, 2013
David W. Nieuwenhuis	2 year term expiring June 30, 2013
Nancy M. Seymour	3 year term expiring June 30, 2014

13. The Board of Trustees approves and authorizes the execution of a contract to charter a public school academy to the Academy and authorizes the University President or designee to issue a contract to charter a public school academy and related documents (“Contract”) to the Academy, provided that, before execution of the Contract, the University President or designee affirms that all terms of the contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and Applicable Law. This resolution shall be incorporated in and made part of the Contract.
14. Within ten days after the Board of Trustees issues the Contract, the Director will submit the Contract to the Michigan Department of Education. Pursuant to the State School Aid Act of 1979, the Michigan Department of Education shall, within thirty days after the Contract is submitted to the Michigan Department of Education, issue a district code number to each public school academy that is authorized under the Revised School Code and is eligible to receive funding under the State School Aid Act. By approving and issuing the Contract, the Board of Trustees is not responsible for the Michigan Department of Education’s issuance or non-issuance of a district code number. As a condition precedent to the Board of Trustees’ issuance of the Contract, the Applicant, the Academy and the Academy’s Board of Directors shall acknowledge and agree that the Board of Trustees, Grand Valley State University, its officers, employees and agents are not responsible for any action taken by the Academy in reliance upon

the Michigan Department of Education's issuance of a district code number to the Academy, or for any Michigan Department of Education's decision resulting in the non-issuance of a district code number to the Academy.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary and have caused the seal of said body corporate to be hereto affixed this 18th day of May, 2011.

A handwritten signature in cursive script, appearing to read "Teri L. Losey", written over a horizontal line.

Teri L. Losey, Secretary
Board of Trustees
Grand Valley State University

SCHEDULE 2

ARTICLES OF INCORPORATION

Michigan Department of Licensing and Regulatory Affairs

Filing Endorsement

***This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT
for***

FOREST ACADEMY PROJECT TEAM, INC.

ID NUMBER: 70892N

***received by facsimile transmission on April 27, 2011 is hereby endorsed
Filed on April 27, 2011 by the Administrator.***

***The document is effective on the date filed, unless a
subsequent effective date within 90 days after
received date is stated in the document.***



***In testimony whereof, I have hereunto set my
hand and affixed the Seal of the Department,
in the City of Lansing, this 27TH day
of April, 2011.***

A handwritten signature in black ink, appearing to read "A. Schaffer", is written over the printed name of the Director.

Director

Bureau of Commercial Services

Sent by Facsimile Transmission 11117

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES			
Date Received		(FOR BUREAU USE ONLY)	
		This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	
Name Douglas J. McNeil			
Address 250 Washington Ave			
City	State	Zip Code	EFFECTIVE DATE:
Grand Haven	MI	49417	

Document will be returned to the name and address you enter above.
If left blank document will be mailed to the registered office.

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ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations

OF

FOREST ACADEMY PROJECT TEAM, Inc.

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is Forest Academy Project Team, Inc.

ARTICLE II

The purpose or purposes for which the corporation is organized are:

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1. To solicit, collect and receive grant funding from the Michigan Department of Education and administer said funds exclusively for such educational and charitable purposes as permitted for organizations defined in section 501(c)(3) of the Internal Revenue Code, all for the public welfare, and for no other purposes, and to that end, to take and to hold, by bequest, devise, gift, purchase, or lease, either absolutely or in trust for any of the aforementioned purposes, any property, real, personal or mixed, without limitation as to amount or value, except such limitations hereinafter provided and may be imposed by law.
2. To sell, convey, and dispose of any such property and to invest and reinvest the principal thereof, and to deal with and expend the income and principal of the corporation in such a manner as in the judgment of the Directors will best promote its objectives and purposes, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received.
3. And, in general, to exercise any, all and every power which is consistent with the purposes described above and which a nonprofit corporation is organized under the provisions of the Michigan Nonprofit Corporations Act can be authorized to exercise, but not any other power.
4. Notwithstanding any provisions of these Articles, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under section 501(c)(3) of the Internal Revenue Code and the related legislation and regulations as they now exist or as they may hereafter be amended, or by an organization contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code and related legislation and regulations as they now exist or as they may hereinafter be amended. No part of the funds of this corporation shall inure to the benefit of any director, or individual, and no substantial part of the direct or indirect activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in (including publication or distribution of statements) any political campaign on behalf of any candidate for public office. In addition, the corporation shall at all times qualify for non-private foundation status in accordance with section 509(a) of the Internal Revenue Code, of 1986, as amended.

ARTICLE III

1. The corporation is organized upon a non-stock basis.
2. If organized on a non-stock basis, the description and value of its real property assets are:

None

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3. The description and value of its personal property assets are:

None

4. The corporation is to be financed under the following general plan:

- a. Grants
- b. Donations

5. The corporation is organized on a directorship basis.

ARTICLE IV

1. The name of the resident agent at the registered office is:

Dr. Norman Peterson

2. The address of the registered office is:

600 S. Lincoln Street, Augusta, Michigan 49012

3. The mailing address of the registered office is the same.

ARTICLE V

The name and address of the incorporator is as follows:

Dr. Norman Peterson

600 S. Lincoln Street, Augusta, Michigan 49012

ARTICLE VI

Any action required or permitted by the Act to be taken at an annual or special meeting of the shareholders may be taken without a meeting, prior notice, or a vote, if a consent in writing setting forth the action so taken is signed by the shareholders having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all the shareholders entitled to vote were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous vote shall be given to shareholders who have not consented in writing.

ARTICLE VII

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its shareholders, directors, officers, or other private persons. However, the corporation shall be authorized to pay reasonable compensation for services rendered and to

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make payments and distributions in furtherance of the purposes set forth in Article II. No substantial part of the activities of the corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene in (including the publishing and distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under IRC 501(c)(3) or the corresponding section of any future federal tax code or (2) by a corporation whose contributions are deductible under IRC section 170(c)(2) or the corresponding section of any future tax code.

ARTICLE VIII

On dissolution of the corporation, after paying or providing for the payment of all of the liabilities of the corporation, the corporation's assets shall be distributed (1) for one or more exempt purposes within the meaning of IRC 501(c)(3), or the corresponding section of any future federal tax code or (2) to the federal government, or to a state or local government, for a public purpose. Any assets not disposed of shall be disposed of by the circuit court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations that the court shall determine and that are organized and operated exclusively for such purposes.

ARTICLE IX

When a compromise, an arrangement, or a plan of reorganization is proposed between this corporation and its creditors or shareholders, a court of equity jurisdiction within this state may order a meeting of the affected creditors or shareholders. The corporation, a creditor or member of the corporation, or a receiver appointed for corporation may apply to the court for a meeting. The meeting shall be summoned in such manner as the court directs. If a majority in number representing 3/4 in value of the affected creditors or 3/4 of the affected shareholders agree to a compromise or arrangement, the compromise, arrangement, or reorganization of this corporation resulting from the compromise or arrangement, if approved by the court, shall be binding on all the creditors and shareholders, and also on this corporation.

ARTICLE X

No member of the board of directors of the corporation who is a volunteer director, as that term is defined in the Act, or a volunteer officer shall be personally liable to this corporation or its shareholders for monetary damages for a breach of the director's or officer's fiduciary duty; provided, however, that this provision shall not eliminate or limit the liability of a director or officer for any of the following: a breach of the director's or officer's duty of loyalty to the corporation or its shareholders; acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law; a violation of section 551(1) of the Act; a transaction from which the director or officer derived an improper personal benefit; an act or omission occurring before the filing of these articles of incorporation; or an act or omission that is grossly negligent.

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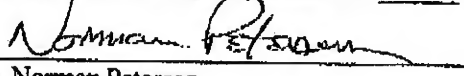
If the Act is amended after the filing of these articles of incorporation to authorize the further elimination or limitation of the liability of directors or officers of nonprofit corporations, then the liability of shareholders of the board of directors or officers, in addition to that described in Article X, shall be eliminated or limited to the fullest extent permitted by the Act as so amended. No amendment or repeal of Article X shall apply to or have any effect on the liability or alleged liability of any member of the board of directors or officer of this corporation for or with respect to any acts or omissions occurring before the effective date of any such amendment or repeal.

ARTICLE XI

The corporation assumes the liability for all acts or omissions of a volunteer if all of the following conditions are met:

1. The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority.
2. The volunteer was acting in good faith.
3. The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct.
4. The volunteer's conduct was not an intentional tort.
5. The volunteer's conduct was not a tort arising out of the ownership, maintenance, or use of a motor vehicle for which tort liability may be imposed as provided in section 3135 of the Insurance Code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3135 of the Michigan Compiled Laws.

I, the incorporator sign my name this 19th day of April, 2011.


Dr. Norman Peterson

Name of Person Remitting Fees:

McNeil & Associates, PC

Preparer's Name and Business Telephone Number

Douglas J. McNeil, Esq.
Saunders Winter McNeil, PLLC
(616) 847-1000 ext. 223

04/27/2011 11:57AM (GMT-04:00)

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If left blank document will be mailed to the registered office.

The name of the corporation is: Forest Academy.

The authorizing body for the corporation is: Grand Valley State University Board of Control (the "University Board").

ARTICLE II

The purposes for which the corporation is organized are:

1. The corporation is organized exclusively for charitable and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code ("IRC"), or corresponding section of any future federal tax code.
2. Specifically, the corporation is organized for the purposes of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.
3. The corporation, including all activities incident to its purpose, shall at all times be conducted so as to be a government entity pursuant to Section 115 of the IRC or any successor law. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under this Code.

ARTICLE III

The corporation is organized on a non-stock, directorship basis.

The value of assets which the corporation possesses is: None

Real Property: None

Personal Property: None

The corporation is to be financed under the following general plan:

- a. State School aid payments pursuant to the State School Aid Act of 1979 or any successor law;
- b. Federal Funds;
- c. Donations;
- d. Tuition and fees permitted to be charged by public school academies; and
- e. Other funds lawfully received.

ARTICLE IV

The address of the initial registered office is: 600 South Lincoln, Augusta, MI 49012.

The mailing address of the initial registered office is the same.

The name of the initial resident agent at the registered office is: Dr. Norman Peterson.

ARTICLE V

The name and address of the incorporator is as follows:

Dr. Norman Peterson
600 South Lincoln St.
Augusta, MI 49012

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

Before execution of a contract to charter a public school academy between the corporation and the University Board, the method of selection, length of term, and the number of members of the Board of Directors of the corporation shall be approved by a resolution of the University Board as required by the Code.

The members of the corporation's Board of Directors shall be selected by the following method:

1. Method of Selection. The initial Board of Directors shall be the individuals named in the resolution approved by the University Board. Subsequent nominations and appointment to the corporation's Board of Directors shall be made according to procedures approved by the University Board.
2. Length of Term. The term of each member of the corporation's Board of Directors shall be three (3) years.
3. Number of Directors. The number of members of the Board of Directors of the corporation shall be not fewer than five (5) and not more than nine (9).
4. Qualifications. The members of the corporation's Board of Director's shall not include (1) any person appointed or controlled by another profit or non-profit corporation; (2) employees of the corporation; (3) any director, officer, or employee of a management company that contracts with the corporation; and (4) University employees, as representatives of Grand Valley State University.
5. Oath and Acceptance of Public Office. All members of the corporation's Board of Directors must take the constitutional oath of public office and file an acceptance of

office in a form prescribed the by the University Charter Schools Office. A person appointed to membership on the corporation's Board of Directors shall be administered the oath at a corporation Board of Directors meeting by an existing corporation Board member or other public official or in the presence of a notary public.

6. Removal of Members. Any corporation board member may be removed by a two-thirds (2/3) vote of the corporation's Board of Directors.

ARTICLE VIII

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, board, officers or other private persons, or organization organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof). Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a governmental entity exempt from Federal Income Tax under Section 115 of IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon dissolution of the corporation, the board shall after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the University Board for forwarding to the State School Aid Fund established under Article IX, Section 11 of the Constitution of the State of Michigan of 1963, as amended.

ARTICLE IX

The corporation and its incorporator, board members, officers, employees, and volunteers have governmental immunity as provided in Section 7 of Act No. 170 of the Public Acts of 1964, being Sections 691.1407 of the Michigan Compiled Laws.

ARTICLE X

These Articles shall not be amended except by the process provided in the contract executed by the corporation and the University Board.

ARTICLE XI

The Board of Directors shall have all the powers and duties permitted by law to manage the business, property and affairs of the corporations.

ARTICLE XII

A volunteer director is not personally liable to the corporation for monetary damages for a breach of the director's fiduciary duty. This provision shall not eliminate or limit the liability of a director for any of the following:

- i) A breach of the director's duty of loyalty to the corporation;
- ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- iii) A violation of Section 551(1);
- iv) A transaction from which the director derived an improper personal benefit;
- v) An act or omission that is grossly negligent.

If the corporation obtains tax exempt status under section 501(c)(3) of the IRC, the corporation assumes all liability to any person other than the corporation for all acts or omissions of a volunteer director occurring on or after the filing of the Articles incurred in the good faith performance of the volunteer director's duties.

This Article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Government Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

ARTICLE XIII

The corporation assumes the liability for all acts or omissions of a non-director volunteer, provided that:

- i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- ii) The volunteer was acting in good faith;
- iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- iv) The volunteer's conduct was not an intentional tort; and
- v) The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in §209(e)(v) of the Michigan Nonprofit Corporation Act.

This Article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

ARTICLE XIV

The officers of the corporation shall be a President, Vice President, Secretary and a Treasurer, each of whom shall be selected by the Board of Directors. The Board of Directors may select one or more Assistants to the officers, and may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the corporation.

ARTICLE XV

The Restated Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the University Board issues to the corporation a contract to operate as a public school academy, and the contract is executed by both the corporation and the University Board.

These Restated Articles of Incorporation were duly adopted on the 28 day of June, 2011, in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate and **do further amend** the provisions of the Articles of Incorporation, and were duly adopted by the shareholders, members, or the directors. The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 28 day of June, 2011

By: Norman Peterson
Dr. Norman Peterson
Director of Operations
Foundation for Behavioral Resources

SCHEDULE 3

BYLAWS

BYLAWS
OF
FOREST ACADEMY

ARTICLE I

PURPOSE

The purpose or purposes for which the corporation is organized are as follows:

The corporation is organized exclusively for charitable and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code ("IRC"), or corresponding section of any future federal tax code.

Specifically, the corporation is organized for the purposes of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.

The corporation, including all activities incident to its purpose, shall at all times be conducted so as to be a government entity pursuant to Section 115 of the IRC or any successor law. Notwithstanding any other provisions of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under this Code.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Number of Directors. The first board of directors shall be those elected by the incorporator. The incorporator shall have the authority to remove or appoint directors prior to the first meeting of the board. Thereafter, directors shall be elected at the annual directors' meeting, except as provided in Section 2 of this Article, and shall hold office until a successor is elected. The number of directors may be changed by the board of directors; however, in no event shall the board consist of less than three (3) or more than seven (7) directors.

Section 2. Vacancies. Vacancies and newly created positions on the board of directors may be filled by a vote of the majority of directors then in office.

Section 3. Powers. The board of directors shall manage the business of the Corporation and may exercise all the powers of the Corporation.

Section 4. Resignation and Removal. A director may resign at any time by written notice to the Corporation. A director may be removed with or without cause by a vote of a

majority of the directors entitled to vote at an election of directors, except as provided by law.

Section 5. Committees of Directors. The board of directors may designate such committees of its members as it may deem advisable.

ARTICLE III

MEETING OF DIRECTORS

Section 1. Times and Places of Meetings. Meetings of the board will be held at the time and place fixed by the board.

Section 2. Annual Meeting. An annual meeting of the board for the purpose of electing directors and officers and for other purposes shall be held on the first Friday of the last month of the fiscal year of the Corporation, or at such other time and place set by the board of directors or the President.

Section 3. Notice of Annual Meeting. Written notice of the annual meeting of directors stating the time, place and purposes of the meeting shall be given either personally or by mail to each director not less than ten (10) nor more than sixty (60) days prior to the date fixed for the meeting.

Section 4. Special Meetings. Special meetings of the board may be called by the board, the President or the Secretary.

Section 5. Notice of Special Meetings. Written notice of special meetings stating time, place and purposes of the meetings shall be given to each director. When provided personally or by telegram, the notice shall be given two (2) days in advance of the date fixed for the meeting. When provided by mail, the notice shall be sent five (5) days in advance of the date fixed for the meeting.

Section 6. Waiver of Notice of Meetings. Notice of any meeting of the board of directors need not be given to any person who signs a waiver of notice before or after the meeting. Attendance of a director at a meeting of the board constitutes a waiver of notice of such meeting, except when the director protests at the beginning of the meeting that the meeting is not lawfully called or convened.

Section 7. Quorum. A majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of those directors present at any meeting at which there is a quorum shall be the act of the board, except as provided by law or by the Articles of Incorporation.

Section 8. Vote Required. Directors of the Corporation shall be elected by a plurality of votes cast. All other actions shall be authorized by a majority of the votes cast.

Section 9. Voting Rights. Each director present in person or by proxy at a meeting of the board shall be entitled to one vote.

Section 10. Conduct of Meetings. Meetings of directors generally shall follow accepted rules of parliamentary procedure, except the Chairperson shall have authority over matters of procedure and may adopt any form of procedure suited to the business being conducted.

Section 11. Action Without A Meeting. Unless otherwise restricted by the Articles of Incorporation, any action may be taken without a meeting, prior notice or vote, if a written consent is signed by all members of the board of directors.

Section 12. Participation by Telephone. Any or all members of the board of directors or members of any committee may participate in a meeting by means of conference telephone call by which all persons participating in such meeting can hear each other, and participation in such conference telephone call shall constitute presence in person at the meeting.

ARTICLE IV

OFFICERS

Section 1. Appointment. The board at its annual meeting shall appoint a President, Secretary, and Treasurer. The board may also appoint a Chairperson of the board and one or more Vice Presidents. Only the Chairperson of the board need be a director. Any two or more offices may be filled by the same person.

Section 2. Resignation and Removal. An officer may resign at any time by written notice to the Corporation. An officer may be removed with or without cause by a vote of the board, except as provided by law.

Section 3. Chairperson of the Board. The Chairperson of the board, if there is one, shall, when present, preside at all meetings of directors. The Chairperson shall have such other duties and powers as the board of directors shall authorize.

Section 4. President. The President shall be the chief executive officer and, unless the Chairperson of the board is present, shall preside at all meetings of directors. The President shall sign bonds, mortgages, and other contracts and agreements on behalf of the Corporation except when the board of directors shall instruct the same to be done by some other officer or agent. The President shall see that all orders and resolutions of the board of directors are carried into effect and shall perform all other duties necessary or appropriate to the office of President.

Section 5. Vice President. Each Vice President shall have such title and perform such duties assigned by the President or the board of directors.

Section 6. Secretary. The Secretary shall maintain the minutes of all minutes of the board of directors and shall perform such duties assigned by the President or the board of

directors.

Section 7. Treasurer. The Treasurer shall have the custody of the corporate funds and securities except as otherwise provided by the board of directors, shall keep full and accurate accounting records for the Corporation, and shall deposit all funds to the credit of the Corporation in such depositories as may be designated by the board of directors.

Section 8. Other Officers. Other officers may from time to time be appointed by the board of directors to perform such duties and exercise such authority as the board of directors or President shall prescribe.

ARTICLE V

INDEMNIFICATION

Section 1. Indemnification. The Corporation shall indemnify its directors, officers, employees and agents against expenses, including attorney's fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by them in connection with any actions or suits brought or threatened against them, including actions by or in the right of the Corporation, by reason of the fact that such person was serving as a director, officer, employee or agent of the Corporation, to the fullest extent provided by law.

Section 2. Authorization of Indemnification. Indemnification shall be made (unless ordered by court or provided by law) only upon determination that such director, officer, employee or agent acted in good faith and in the best interests of the Corporation. Such determination shall be made (1) by majority vote of a quorum of directors who were not parties to such action or suit, or (2) if a quorum of disinterested directors directs, by written opinion of legal counsel for the Corporation or by other independent legal counsel.

Section 3. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of this Corporation or is on or was serving at the request of the Corporation in any other enterprise against any liability incurred in such capacity.

ARTICLE VI

GENERAL PROVISIONS

Section 1. Checks. All checks or demand for money and notes of the Corporation shall be signed by such persons as the board of directors may designate.

Section. 2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the board of directors.

Section 3. Seal. The board of directors may adopt a corporate seal.

ARTICLE VII

DEDICATION OF ASSETS

Section 1. Use of Funds. The funds and property for the Corporation shall be used exclusively for the purposes of the Corporation described in the Articles of Incorporation. No dividends, distributions, or compensation of any kind shall be paid to persons in their capacities as directors of the Corporation.

Section 2. Dissolution and Liquidation. In the event that the Corporation's charitable purposes fail, or if this Corporation ceases to be approved as a tax-exempt organization under the federal Internal revenue Code, and any such defect with respect thereto is not cured by appropriate amendment, or in the event of voluntary dissolution, then all of the assets of this Corporation, including all accumulated income, shall be distributed and paid over to such other charitable organization or organizations as the directors, or in default of designation by the directors, the Circuit Court for the County of Calhoun, Michigan, shall designate as best accomplishing the purposes for which this organization was formed, always provided, however, that the organizations receiving such assets are qualified as tax-exempt under Section 501(c)(3) of the federal Internal Revenue Code, or the corresponding provisions of any future United States Internal Revenue Law. After such assets have been distributed, the Corporation shall be dissolved.

ARTICLE VIII

AMENDMENTS

These Bylaws may be amended or repealed at any meeting of the board of directors by a majority of those directors on the board.

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the Corporation, does hereby certify that the foregoing Bylaws of the Corporation have been duly adopted by the Board at a meeting of the Board held on June 28, 2011.

IN WITNESS WHEREOF, the undersigned, duly elected and acting Secretary of the Corporation, has signed this Certificate as of the 28th day of June, 2011.

Nancy M. Seymour

SCHEDULE 4

FISCAL AGENT AGREEMENT

SCHEDULE 4

FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Grand Valley State University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Forest Academy ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, pursuant to the Code and the Contract, the University Board, as authorizing body, is the fiscal agent for the Academy, and

WHEREAS, the University Board is required by law to forward any State School Aid Payments received from the State of Michigan ("State") on behalf of the Academy to the Academy,

NOW, THEREFORE, in consideration of the premises set forth below, the parties agree to the following:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Account" means an account established by the Academy for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which has not been deemed ineligible to be a depository of surplus funds under Section 6 of Act No. 105 of the Public Acts of 1855, being Section 21.146 of the Michigan Compiled Laws.

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the University Board or an officer or employee of Grand Valley State University as designated by the University Board.

"Other Funds" means any other public or private funds which the Academy receives and for which the University Board voluntarily agrees to receive and transfer to the Academy.

"State School Aid Payment" means any payment of money the Academy receives from the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

"State" means the State of Michigan.

"State Treasurer" means the office responsible for issuing funds to urban high school academies for State School Aid Payments pursuant to the School Aid Act of 1979, as amended.

Section 1.02. Fiscal Agent Agreement Incorporated into Contract; Use of Contract Definitions. This Fiscal Agent Agreement shall be incorporated into and is part of the Contract issued by the University Board to the Academy. Terms defined in the Contract shall have the same meaning in this Agreement.

ARTICLE II

FISCAL AGENT DUTIES

Section 2.01. Receipt of State School Aid Payments and Other Funds. The University Board is the Fiscal Agent for the Academy for the limited purpose of receiving State School Aid Payments. By separate agreement, the University Board and the Academy may also agree that the University Board will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.02.

Section 2.02. Transfer to Academy. Except as provided in the Contract, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within three (3) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor or approve expenditures made by the Academy Board.

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the University Charter Schools Office: (i) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent. No State Aid Payment Agreement and Direction document shall be effective until it is acknowledged by the University President.

ARTICLE III

STATE DUTIES

Section 3.01 Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.02. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV

ACADEMY DUTIES

Section 4.01. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, an Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended.

Section 4.02. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 4.03. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979 or applicable State Board rules.

Section 4.04. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayments of State School Aid Payments. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or may seek collection of the overpayment from the Academy.

Section 4.05. Deposit of Academy Funds. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of State School Aid Payments and Other Funds received by the Academy.

ARTICLE V

RECORDS AND REPORTS

Section 5.01. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, and annually thereafter, a written report dated as of August 31 summarizing all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the University Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.01. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.02. Limitation of Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

The Fiscal Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

The Fiscal Agent shall not be liable for any deficiency in the State School Aid Payments received from the State Treasurer to which the Academy was properly entitled. The Fiscal Agent shall not be liable for any State School Aid overpayments made by the State Treasurer to the Academy for which the State subsequently seeks reimbursement.

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the University Board to the Academy.

BY: Joseph L. Fielek
Joseph L. Fielek, Director
Bureau of Bond Finance
Michigan Department of Treasury

Date: May 16, 20 11

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SCHEDULE 5

MASTER CALENDAR OF REPORTING REQUIREMENTS

Public School Academy / School of Excellence
Master Calendar of Reporting Requirements
July 1, 2011 – June 30, 2012

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
July 1	Board Adopted 2011-2012 School Calendar/School Day Schedule.	CSO
July 1	Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2011-2012.	CSO
July 1	Copy of Notice of Public Hearing for Annual Operating Budget for 2011-2012.	CSO
July 1	Copy of Parent Satisfaction Survey and Results from 2010-2011, if applicable.	CSO
July 25	DS-4168 Report of Days and Clock Hours of Pupil Instruction for 2010-2011 academic year, if applicable (See MDE website, www.michigan.gov/mde , for MDE due date and form).	CSO
August 1	Annual Organizational Meeting Minutes for 2011-2012.	CSO
August 1	Board Resolution appointing Chief Administrative Officer for 2011-2012.	CSO
August 1	Board Resolution appointing Freedom of Information Act Coordinator for 2011-2012.	CSO
August 1	Board Designated Legal Counsel for 2011-2012.	CSO
August 1	Board adopted Annual Calendar of Regularly Scheduled Meetings for 2011-2012.	CSO
August 31	4 th Quarter Financial Statements – quarter ending 06/30.	CSO
September 2	Organizational Chart for 2011-2012.	CSO
September 2	Board approved Student Handbook 2011-2012.	CSO
September 2	Board approved Employee Handbook 2011-2012.	CSO
September 2	Copy of School Improvement Plan covering 2011-2012 academic year.	CSO
September 2	Board adopted Policy referencing MCL 380.553(5)(k) prohibiting individuals from serving as an Academy Board member if the person's spouse, child, parent or sibling is employed by the school of excellence	CSO
October 3	Completed PSA and ESP/MC Insurance Questionnaires. Required forms available at www.gvsucso.org .	CSO
October 3	Annual Nonprofit Corporation Information Update for 2011. CSO will confirm filing via DLEG website.	CSO
October 14	Audited Financial Statements for fiscal year ending June 30, 2011. (See MDE Website, www.michigan.gov/mde , for MDE due date.	CSO
October 14	Management Letter (comments and recommendations from independent financial auditor) for fiscal year ending June 30, 2011, if issued. If a management letter is not issued, a letter from the Academy stating a management letter was not issued is required to be submitted.	CSO
October 14	Annual A-133 Single Audit for year ending June 30, 2011 is required if over \$500K in federal funds have been expended. If a single audit is not necessary, a letter from the Academy stating as such is required to	CSO

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
	be submitted.	
October 14	DS-4898 PSA Preliminary Pupil Membership Count for September 2011 Enrollment and Attendance for 1 st & 2 nd Year PSAs only. (See MDE website, www.michigan.gov/mde for MDE due date).	CSO
October 14	Annual Education Report for the 2010-2011 academic year to be submitted and presented at a public meeting.	CSO
October 28	1 st Quarter Financial Statements – quarter ending 09/30.	CSO
December 1	Academy's Technology Plan covering 2011-2012 or annual updates thereto.	CSO
January 6	Modifications to ISD's Plan for the Delivery of Special Education Services covering 2011-12 signed by a representative of the Academy.	CSO
January 31	2 nd Quarter Financial Statements – quarter ending 12/31.	CSO
January 31	Michigan Highly Qualified Teacher Verification Report. Required Form Available at www.gvsucso.org .	CSO
April 20	DS-4168-B District Report of Planned Number of Days and Clock Hours of Pupil Instruction for 2011-2012 (See MDE website www.michigan.gov/mde for MDE due date).	CSO
April 27	3 rd Quarter Financial Statements – quarter ending 03/31.	CSO
May 14	Notice of Open Enrollment & Lottery Process or Open Enrollment & Lottery Process Board Policy for 2012-2013.	CSO
June 1	Certificate of Boiler Inspection covering years 2011-2012.	CSO
June 29	Board Approved Amended Budget for 2011-2012 fiscal year (or statement that budget has been reviewed and no amendment was needed).	CSO
June 29	2011-2012 Log of emergency drills, including date, time and results. Sample form available at www.gvsucso.org .	CSO
June 29	Board adopted Letter of Engagement for year ending June 30, 2012 independent financial audit.	CSO
June 29	Food service license expiring 04/30/2013.	CSO

Ongoing Reporting Requirements July 1, 2011 – June 30, 2012

The following documents do not have a set calendar date; however, they require submission within a certain number of days from board action or other occurrence.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
Date notice is posted	Academy Board Meeting Record of Postings – cancellations, changes, special meetings, emergency etc. Must include time and date of actual posting.	CSO
14 business days after Board meeting	Draft Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
14 business days after Board approval	Approved Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
30 business days after board approval	Board Adopted Annual Operating Budget for 2011-2012 including Salary/Compensation Transparency Reporting to be available on school website per the State School Aid Act as amended	No submission needed.
14 business days after Board approval	Oath of Office and written acceptance for each Board Member.	CSO
10 business days after Board approval	Board adopted <i>Amended</i> Budget and General Appropriations Resolution.	CSO
10 days of receipt	Correspondence received from the Michigan Department /State Board of Education requiring a formal response.	CSO
10 days of receipt	Correspondence received from the Health Department requiring a formal response.	CSO
10 days of receipt	Written notice of litigation or formal proceedings involving the Academy.	CSO
30 days prior to board execution	Board proposed draft Educational Management Company Agreements or Amendments thereto.	CSO
5 business days of receipt	Request and Responses to Freedom of Information Requests.	CSO

Original/Subsequent Board Policy Reporting Requirements July 1, 2011 – June 30, 2012

The following documents do not have a set calendar date; however, they require an original submission and subsequent submission if Board action is taken making amendments/changes.

REPORT DESCRIPTION	SUBMIT TO:
Articles of Incorporation. Must have GVSU Board approval before modifying.	CSO
Board of Director Bylaws.	CSO
Educational Service Provider Agreements/Amendments	CSO
Academy's Educational Goals.	CSO
Office of Fire Safety (OFS-40) – original occupancy permit and permits for renovations/additions, etc.	CSO
Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units).	CSO
Curriculum including any additions/deletions.	CSO
Asbestos Hazardous Emergency Response Act (AHERA) Management Plan. Visit www.michigan.gov/asbestos for Michigan's model management plan. A copy of the "acceptance" letter sent by MIOSHA is also required.	CSO
Communicable Disease Curriculum (including minutes of board approval).	CSO
Job Descriptions for all employee groups	CSO
REQUIRED BOARD POLICIES	
Board adopted Purchasing Policy (date of approval). Reference: MCL 380.1267, MCL 380.1274	CSO
Use of Medications Policy (date of approval). Reference: MCL 380.1178, 380.1178a, 380.1179	CSO
Harassment of Staff or Applicant Policy (date of approval). Harassment of Students Policy (date of approval) Reference: MCL 380.1300a	CSO
Search and Seizure Policy (date of approval). Reference: MCL 380.1306	CSO
Emergency Removal, Suspension and Expulsion of Students Policy (date of approval). Reference: MCL 380.1309; MCL 380.1312(8)&(9); MCL 37.1402	CSO
Parent/Guardian Review of Instructional Materials & Observation of Instructional Activity Policy Reference: MCL 380.1137	CSO
Board Member Reimbursement of Expenses Policy (date of approval). Reference: MCL 380.1254; MCL 388.1764b	CSO
Equal Access for Non-School Sponsored Student Clubs and Activities Policy (date of approval). Reference: MCL 380.1299	CSO
Electronic or Wireless Communication Devices Policy (date of approval).	CSO
Preparedness for Toxic Hazard and Asbestos Hazard Policy (date of approval). Reference: MCL 324.8316, 380.1256	CSO

Nondiscrimination and Access to Equal Educational Opportunity Policy (date of approval) Including, but not limited to, Michigan Constitution, Article I, §26, Elliott-Larsen Civil Rights Act, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.	CSO
Academy Deposit Policy (date of approval). PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract	CSO
Parental Involvement Policy (date of approval). Reference: MCL 380.1294	CSO
Wellness Policy (date of approval). Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773	CSO

Calendar of Additional Reporting Requirements and Critical Dates July 1, 2011 – June 30, 2012

The following reports Academies must submit to the local ISD, MDE, CEPI and other organizations throughout the year.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
September 28	Student Count Day for State Aid F.T.E.	No submission required.
September 30	SE-4096 Special Education Actual Cost Report (Contact ISD for due date).	ISD
October 3	Eye Protection Certificate (#4527 Certification of Eye Protective Devices Electronic Grant System [MEGS] if applicable.	CEPI
October 3	Certification of Constitutionally Protected Prayer	MDE
October 7	SE-4094 Transportation Expenditure Report (Contact ISD for due date).	ISD
October 1 – October 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission needed.
Oct/Nov	School Infrastructure Database (SID); School-Wide Title I Participation	CEPI
Oct/Nov	Deadline for MEIS/Single Record Student Database (“SRSD”) electronic file (Contact the local ISD for due date.)	CEPI
November 1	Deadline for Immunization Records Report – IP100. (Contact Health Dept. for due date).	Local Health Dept.
November 14	Deadline for electronic submission to the Financial Information Database (FID, formerly known as the Form B). State aid will be withheld if the submission is not successful.	CEPI
Nov/Dec	Special Education Count on MI-CIS. Special education data must be current and updated in the Michigan Compliance and Information System (MI-CIS). This information is used to determine funding for next year (Contact local ISD for due date).	ISD
December 1 - December 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
Nov/Dec	Registry of Educational Personnel (REP) Submission	CEPI
December 30	Municipal Finance Qualifying Statement, if applicable (online submission).	MI Dept of Treasury
Feb 1	Deadline for Immunization Record Report – IP100 (Contact Health Dept. for due date). A financial penalty of 5% of a school’s state aid allocation can be assessed if the immunization rate is not at 90% or above.	Local Health Dept.
Feb 8	Supplemental Student Count for State Aid F.T.E.	No submission required.
March	FS-4731-C – Count of Membership Pupils eligible for free/reduced breakfast, lunch or milk (official date TBD).	MDE

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
March	MEIS/Single Record Student Database (“SRSD”) electronic file (Contact local ISD for due date.)	ISD, CEPI
May 1 – May 31 (as scheduled)	Teacher Certification/ Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
June	MEIS/ Single Record Student Database (“SRSD”) electronic file (Contact local ISD for due date.)	ISD, CEPI
June	Registry of Educational Personnel (REP)	CEPI
June	School Infrastructure Database (SID)	CEPI

SCHEDULE 6

**INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL
MANAGEMENT COMPANY**

SCHEDULE 6

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY

In accordance with Section 11.15 of the Terms and Conditions, the following described categories of information are to be made available to the public by the Academy, and any Educational Management Company contracted by the Academy, as required under Section 553(5)(m) of the Code, MCL 380.553(5)(m):

1. Contract;
2. List of currently serving Directors with name, address, and term of office;
3. Academy Board policies;
4. Academy Board meeting agendas;
5. Academy Board meeting minutes;
6. Academy Board approved budget and amendments to budget;
7. Bills paid for amounts of \$10,000, or more as submitted to the Academy Board;
8. Quarterly financial reports submitted to the University Charter Schools Office;
9. List of all current Academy staff, including their total individual compensation. Additionally, copies of teaching certificates or permits, evidence of compliance with criminal background and records checks, and unprofessional conduct checks required under the Code for Academy teachers and school administrators;
10. Curriculum documents and materials submitted to the University Charter Schools Office;
11. Proof of insurance required by Contract;
12. Copies of facility leases or deeds, or both, and of any equipment leases;
13. Copies of any management contracts or services contracts approved by the Academy Board. The executed Educational Products and Services Agreement shall be incorporated into this Contract as Schedule 6;
14. Health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service;
15. Annual financial audit and any management letters issued as part of the annual financial audit; and
16. Any other information specifically required under the Code.

MANAGEMENT AGREEMENT

This Management Agreement is made and entered into as of the 28 day of June, 2011, by and between the **Foundation for Behavioral Resources**, a Michigan non-profit corporation ("FBR"), and **Forest Academy**, a body corporate and public school academy (the "Academy").

RECITALS

The Academy is a charter school, organized as a public school academy under the revised Michigan School Code (the "Code"). The Academy has been granted a contract (the "Contract") by the Grand Valley State University Board of Trustees ("GVSU") to organize and operate a public school academy, with GVSU as the authorizing body.

FBR was instrumental in the creation of the Academy, having incorporated the Academy, recruited its initial Board of Directors (the "Board"), prepared the application with GVSU for the Contract (the "Application"), and prepared the curriculum and related documents submitted with the Application and essential for the operation of the Academy.

The Academy and FBR desire to create an enduring educational partnership, whereby the Academy and FBR will work together to bring educational excellence and innovation to the Kalamazoo metropolitan area, based on FBR's school design, comprehensive educational program and management principles.

In order to facilitate the commencement of school for the 2011-2012 school year and the continuation of school indefinitely thereafter, and to implement an innovative educational program at the school, the parties desire to establish this arrangement for the management and operation of the Academy.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

- A. Authority.** The Academy represents that it is authorized by law to contract with a private entity and for that entity to provide educational management services. The Academy further represents that it has been granted the Contract by GVSU to organize and operate a public school academy. The Academy is therefore authorized by the code and GVSU to supervise and control such academy, and is invested with all powers necessary or desirable for carrying out the educational program contemplated in this Agreement.
- B. Contract.** The Academy hereby contracts with FBR, to the extent permitted by law, for the provision of all labor, materials, facilities, equipment and supervision necessary for

the provision of educational services to students, and the management, operation and maintenance of the Academy in accordance with the educational goals, curriculum, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade range of pupils to be enrolled, educational goals, and method to be used to monitor compliance with performance of targeted educational outcomes, all as adopted by the Board of the Academy and included in the Contract between the Academy and GVSU.

C. Designation of Agents. The Board designates the employees of FBR's Central Office and Charter School Division as agents of the Academy having a legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. §1232g, the Family Rights and Privacy Act ("FERPA").

D. Status of the Parties. FBR is a non-profit Michigan corporation, and is not a division of or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of FBR. The parties to this Agreement intend that the relationship created by this Agreement is that of an independent contractor and not employer – employee. Except as expressly provided in this Agreement, no agent or employee of FBR shall be deemed to be the agent or employee of the Academy. FBR shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between FBR and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between FBR and the Academy.

ARTICLE II

TERM

A. Term. This Agreement shall be effective as of July 1, 2011 and shall expire on June 30, 2018. This Agreement shall automatically renew for an additional term of one year, and from year to year thereafter, unless otherwise terminated or renegotiated in accordance with Article VII.

ARTICLE III

FUNCTIONS OF FBR

A. Responsibility. FBR shall be responsible and accountable to the Board for the administration, operation and performance of the Academy in accordance with the Contract. FBR's responsibility is expressly limited by: (i) the budget FBR and the Academy agree upon pursuant to the terms of this Agreement, and (ii) the availability of state funding to pay for said services. Neither FBR nor the Academy shall be required to expend Academy funds on services in excess of the amount set forth in the Academy budget.

- B. Educational Program.** FBR agrees to implement the educational goals and programs as incorporated in the Contract (the "Educational Program"). In the event FBR determines that it is necessary to modify the Educational Program, FBR shall inform the Board of the proposed changes and obtain board approval, and if required under the Contract, approval of GVSU. The parties hereto acknowledge that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and FBR are interested in results and not in inflexible prescriptions. At the end of each academic semester, and otherwise as requested, FBR will provide the Board with updated reports on progress towards implementing each of the Academy's educational goals in the Educational Program.
- C. Specific Functions.** FBR shall be responsible for the management, operation, administration, accounting and education at the Academy. Such functions include, but are not limited to:
1. Implementation and administration of the Educational Program, including the selection and acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs.
 2. Management of all personnel functions, including professional development for the School Administrator and all instructional personnel and the personnel functions outlined in Article VI.
 3. Operation of the school building, which FBR shall rent, lease or otherwise provide for the Academy's use, and the installation of technology integral to the school design.
 4. All aspects of the business administration of the Academy.
 5. All aspects of the accounting operation, including general ledger management and financial reporting.
 6. Food service, if any is provided, for the Academy.
 7. Before and after school child care, if any is provided, for the Academy through the use of FBR's Child Development Centers.
 8. Any other function necessary or expedient for the administration of the Academy.
- D. Purchases.** Purchases made by FBR on behalf of the Academy with Academy monies including, but not limited to, instructional materials, supplies, and equipment will be the property of the Academy.
- E. Subcontracts.** FBR reserves the right to subcontract any and all aspects of all services it agrees to provide to the Academy including, but not limited to transportation and/or food

service. However, FBR shall not subcontract the management, oversight or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with approval of the Board.

- F. Place of Performance.** FBR reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by state or local law.
- G. Educational Facilities.** It is FBR's responsibility to locate facilities to be used by the Academy. The Board agrees that FBR may own the facilities used by the Academy and further agrees that FBR may rent or lease these facilities to the Academy at Fair Market Value. Fair Market Value shall be based on cost/square foot/year for property and shall be charged in either 12 or 9 equal monthly payments. The Board agrees that FBR has fully disclosed its ownership interest in the Educational Facilities and agrees that FBR may select such facilities and construct additional facilities for use by the Academy.
- H. FBR Office Space.** For the term of this Agreement, suitable office space shall be provided at the Academy for FBR personnel and subcontractors. The office space shall be used by FBR for FBR activities related to the Academy. The Academy shall also provide FBR, upon FBR's request, with an additional room to be used for activities related to the Academy. The Academy agrees that FBR may incur, on the Academy's behalf, office and rental expenses associated with off-site central management.
- I. Student Recruitment.** FBR and the Board shall be jointly responsible for the recruitment of students subject to agreement on general recruitment and admission policies. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law.
- J. Due Process Hearings.** FBR shall provide student due process hearings in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality and access to records, to an extent consistent with the Academy's own obligations. The Academy shall retain the right to provide due process as required by law.
- K. Legal Requirements.** FBR shall provide educational programs that meet federal, state, and local requirements, and the requirements imposed under the Code and the Contract, unless such requirements are or have been waived, but the Academy shall interpret state and local regulations liberally to give FBR flexibility and freedom to implement its educational and management programs.
- L. Rules & Procedures.** FBR shall recommend reasonable rules, regulations and procedures applicable to the Academy and is authorized and directed to enforce such rules, regulations and procedures adopted by the Academy.

M. School Year and School Day. The school year and school day shall be as provided in the Contract submitted to and approved by GVSU. FBR reserves the right to modify the school year/day so long as State mandated days and hours of instruction are met.

N. Pupil Performance Standards and Evaluation. FBR shall implement pupil performance evaluations which permit evaluation of the education progress of each Academy student. FBR shall be responsible and accountable to the Board for the performance of students who attend the Academy. FBR will utilize assessment strategies required by the terms of the Contract. The Board and FBR will cooperate in good faith, to identify measures of school performance and goals for Academy students including, but not limited to, parent satisfaction.

O. Services to Disabled Students and Special Education. FBR shall provide special education services to students who attend the Academy in conformity with the requirements of state and federal law. FBR may subcontract as necessary and appropriate for the provision of services to students whose special needs cannot be met within the Academy's program, subject to approval of the Academy Board. Such services shall be provided in a manner that complies with local, state and federal laws and applicable regulations and policies.

P. Compliance with Academy's Contract. FBR agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by Grand Valley State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

Q. Unusual Events. FBR agrees to timely notify the Board and/or school administrator of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect the Academy in complying with its responsibilities hereunder.

R. Student and Financial Records. All student and financial information related to the Academy shall be available for inspection at the Academy or at FBR's central office upon reasonable request consistent with applicable federal and state laws.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. Good Faith Obligation. The Board shall be responsible for its fiscal and academic policy. The Board shall exercise good faith in considering the recommendations of FBR including, but not limited to, FBR's recommendations concerning policies, rules, regulations and budgets. The Board's failure to adopt FBR's reasonable recommendations with respect to policies, rules and regulations to enable FBR to implement the school design as set forth in the Contract may, at FBR's option, be deemed a material breach of this Agreement by the Academy. The Board shall retain the

authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy. The Board shall further retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials and equipment.

- B. Assistance to FBR.** The Academy shall cooperate with FBR in furnishing all information and submitting all forms and reports required in association with this Agreement, including timely notice of all Board meetings. The Academy shall timely furnish FBR all documents and records necessary for FBR to properly perform its responsibilities under this agreement.
- C. Unusual Events.** The Academy agrees to timely notify FBR of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect FBR in complying with its responsibilities hereunder.
- D. FBR Office Space.** For the term of this Agreement, suitable office space shall be provided at the Academy for FBR personnel and subcontractors. The office space shall be used by FBR for FBR activities related to the Academy. The Academy shall also provide FBR, upon FBR's request, with an additional room to be used for activities related to the Academy. The Academy agrees that FBR may incur, on the Academy's behalf, office and rental expenses associated with off-site central management.
- E. Retained Authority.** The Board shall retain the authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy. The Academy Board shall further retain the obligation, as provided in section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials and equipment.
- F. Building Facility.** It is FBR's obligation to secure a building that complies with all requirements of the Contract. FBR may own, build, purchase or lease a school facility for or on behalf of the Academy.
- G. Educational Consultant.** The Board may retain at its own expense an educational consultant to review the operations of the Academy and the performance of FBR under this agreement. FBR shall cooperate with such consultant in the performance of his or her responsibilities to the Board. Notwithstanding anything contained elsewhere in this agreement, without Board authorization, FBR shall have no authority to select, evaluate, assign, supervise or control any consultant retained by the Board.

ARTICLE V

FINANCIAL ARRANGEMENTS

A. Revenues. Except as hereinafter provided, all monies received by the Academy Board shall be deposited within three (3) business days with a financial institution acceptable to the Board and FBR. The Academy and FBR shall be named signatories on the account. FBR, as disbursement agent for the Board, is authorized to disburse funds from the account on behalf of the Academy for the purposes and uses authorized pursuant to the terms of this Agreement. Except as specifically excluded by the terms of this Agreement, the term "Revenues" shall include all funds received by on or behalf of the Academy including, but not limited to;

- 1) State Aid Funds.
- 2) Special Education funding provided by Federal or State Governments to the Academy that is directly allocable to special education students in the Academy.
- 3) Gifted and Talented funding provided by Federal and State Governments that is directly allocable to gifted and talented students in the Academy.
- 4) At-Risk funding provided by Federal and State Governments to the Academy that is directly allocable to at-risk students in the Academy.
- 5) Funding provided by Federal and State Governments to the Academy that is directly allocable to students in the Academy with limited English proficiency.
- 6) Federal and State grant sources, including Title 1, which is directly allocable to the Academy.
- 7) Grants and donations received by the Academy (except to the extent FBR is not required or involved in soliciting, administering, or managing such grants and/or donations).
- 8) Fees charged to students for extra services as and to the extent permitted by law.

(All of the above are hereinafter collectively referred to as the "Revenues").

The Revenues shall be expended by FBR in accordance with the approved Budget and as otherwise authorized by the Board. The expenditure of Revenues received from governmental entities shall be consistent with all applicable regulations and policies, and in the case of private donations, the directives of the donor where applicable.

B. Budget

1. Projected Budget. FBR shall provide the Board with an annual projected Budget (the "Budget"). The budget shall be submitted to the Board prior to June 30th for the following academic year.
2. Budget Detail. The Budget shall contain reasonable detail as requested by the Board. The Budget shall include all projected expenses and costs reasonably associated with operating the Academy and the FBR school program including, but not limited to, the projected cost of: all services and education programs provided to the Academy,

leasehold and other lease obligations incurred by the Academy, maintenance and repairs to Academy facilities and capital improvements except as otherwise agreed upon, supplies and furnishings necessary to operate the Academy, all taxes of any kind that are assessed or imposed, insurance premiums, utilities, professional fees, and other costs and expenses connected to operating the Academy.

3. Board Surplus. The Budget shall provide that the Board shall have a surplus for use by the Board in an amount equal to two (2) percent of Revenues after deducting the percentage paid to GVSU pursuant to its Contract (the "Board Surplus").
 4. Approval. The Budget shall be prepared by FBR and submitted to the Board for approval. The Budget may be amended from time to time as deemed necessary by FBR and the Board.
 5. Expenditures. FBR shall not expend the Revenues in such a way as to deviate materially from the provisions of the Budget without Board approval (except where the deviation is less than the amount budgeted).
- C. Fee.** FBR shall be entitled to retain as compensation for its services rendered pursuant to this Agreement the difference, if any, between the amount of the Academy's Revenues and the amount of Revenues actually expended by or on behalf of the Academy during its fiscal year after deducting the Board Surplus (the "Fee"). It is anticipated that FBR will be paid its Fee monthly over approximately twelve months. The exact date of each monthly payment and the amount of each monthly payment may vary depending on the timing and the amount of funds received each month by the Academy.
- D. Availability of Funds.** FBR shall only be required to perform its responsibilities upon this Agreement to the extent that the Academy has received and made available to FBR sufficient Revenues to make payments in accordance with the terms of the Budget.
- E. Other Public School Academies.** The Academy acknowledges that FBR may enter into similar management agreements with other public school academies. FBR shall maintain separate accounts for expenses incurred by or on behalf of the Academy and other Public School Academies, and shall only charge the Academy for expenses incurred by or on behalf of the Academy. If FBR incurs authorized reimbursable expenses on behalf of the Academy and other public school academies which are incapable of precise allocation, then FBR shall allocate such expenses among all such academies, including the Academy, on a prorated basis based upon the number of students enrolled at such academies, or upon such other equitable basis as is acceptable to the parties.
- F. Financial Reporting.** FBR shall provide the Board with:
- 1) The projected annual Budget as required by the terms of this Agreement.
 - 2) Detailed statements of all Revenues received, and detailed statements of all direct expenditures for services and or expenses rendered or incurred to or on behalf of the Academy, whether incurred on-site or off-site, upon request.

- 3) Reports on Academy operations, finances, and student performance shall be provided upon request, but not less frequently than two (2) times per year.
 - 4) Other information on a periodic basis to enable the Board to monitor FBR's performance and the efficiency of its operation of the Academy, and to reconcile the Fee paid to FBR.
- G. Access to Records.** FBR shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of FBR, and shall retain all of these records for a period of five (5) years from the close of the fiscal year to which such records relate. FBR and the Academy shall maintain the proper confidentiality of personnel, students, and other records as required by law.
- H. Review of Operational Budget.** The Academy Board shall be responsible for reviewing and approving the annual Budget of the Academy as presented by FBR.
- I. Annual Audit.** The Academy Board shall select, retain, and pay for an annual audit in accordance with the Academy's authorizing documents and the School Aid Act.
- J. Start-up Financing.** FBR has and may continue to provide start-up funds for the Academy, including funds for the development of a curriculum, technology system and school operations plan; recruiting, selecting and pre-service training of staff members; and cleaning, fixing and equipping of the academy building as required by this Agreement. FBR advances shall be budgeted and FBR shall be reimbursed from the Revenues as and when funds are available.
- K. Other Financing.** The Board may apply to FBR for financing from time to time. Any such financing shall be subject to written agreement between the parties as to terms, and may cover the cost of funds for the development and on-going operations of any and all aspects of the Academy's program. The Academy shall reimburse FBR for any such financing from state school aid payment and/or other revenue sources.

ARTICLE VI

PERSONNEL & TRAINING

- A. Personnel Responsibility.** FBR, subject to Board approval, shall select qualified personnel to perform services at the Academy. FBR shall determine if the staff shall be employees of the Academy or of FBR. The parties anticipate that virtually all staff shall be employees of FBR but such determination may change from time to time with Board approval. Compensation of all employees will be paid in accordance with the budget referenced in Article V. For purposes of this agreement, compensation shall include salary, bonus (if applicable), fringe benefits, and state and federal tax withholdings. FBR shall have the responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, transfer and terminate personnel consistent with state and federal law. If FBR executes contracts with administrative or teaching staff that have a

term longer than one (1) year, the Board reserves the right to have the School Administrator or teacher placed elsewhere by FBR if the Board is reasonably dissatisfied with their respective performance at the end of the academic year.

- B. School Administrator.** The school administrator shall be accountable for the performance of the Academy. FBR shall have the authority, consistent with state law, to select, employ, and supervise the school administrator and hold the school administrator accountable for the success of the Academy. The duties of the school administrator, and the terms of the school administrator's employment contract, shall be determined by FBR subject to approval by the Board. FBR shall timely **consult** with the Board with respect to an actual or anticipated change in the individual FBR employs under this Agreement.
- C. Teachers.** FBR shall determine the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy. FBR shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The curriculum taught by such teachers shall be the curriculum prescribed by FBR for the Academy. Such teachers may, in the discretion of FBR, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools managed or operated by FBR. Each teacher assigned or retained by the Academy shall hold a valid Michigan teaching certificate issued by the state board of education under the Code, to the extent required under the Code.
- D. Support Staff.** FBR shall determine the number and functions of support staff required for the operation of the Academy. FBR shall provide the Academy with qualified staff to efficiently operate the Academy's school in accordance with the Contract. The support staff may, in the discretion of FBR, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, the support staff may also work at other schools managed or operated by FBR.
- E. Training.** FBR shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Non-instructional personnel shall receive such training as FBR determines reasonable and necessary under the circumstances.
- F. Evaluation.** FBR shall conduct annual staff evaluations that are rigorous, transparent, and fair following both federal and state laws and guidelines.

ARTICLE VII

TERMINATION OF AGREEMENT

A. Termination.

- 1. By FBR.** FBR may terminate this Agreement prior to the end of the terms specified in Article II in the event the Board fails to remedy a material breach

within 30 days after notice from FBR. A material breach includes, but is not limited to, FBR's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement, or the Academy's loss or suspension of its Contract.

2. **By Academy.** The Academy may terminate this Agreement prior to the end of the terms specified in Article II in the event that FBR shall fail to remedy a material breach within 30 days after notice from the Board. Material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs (provided funds are available to do so), (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board which are not in violation of the Contract, this Agreement, or law, or (iii) receipt by the Board of unsatisfactory reports from FBR or from an educational consultant retained by the Board about matters concerning FBR's performance or the performance of the staff which are not adequately corrected or explained.
3. **Revocation or Termination of Contract.** If the Academy's Contract issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or terminated without further action of the parties.

B. Renewal/Termination/Expiration

1. **Renewal.** Unless written notice of intent to terminate or renegotiate is given by either party by March 15 of the 7th year of the Agreement or any subsequent March 15 if the Agreement has been renewed, this agreement shall automatically renew for an additional term of one year and from year to year, thereafter.
2. **Removal of personal property.** Upon termination of this Agreement, equipment and other assets acquired with Academy revenue and owned by the Academy shall remain the exclusive property of the Academy. Equipment leased by the Academy shall remain subject to the interest of the Lessor/Owner.
3. **Future Advances/Out-of-Pocket Expenses.** Upon termination of this Agreement, for any reason, all future advances or out-of-pocket expenses paid by FBR shall be immediately repaid by the Academy unless otherwise agreed in writing by FBR.

- C. **Transition.** In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, FBR shall provide the Academy reasonable assistance for up to 90 days to assist in the transition back to a regular school program.

ARTICLE VIII

INDEMNIFICATION

- A. Indemnification of Grand Valley State University.** The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the School of Excellence application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the Educational Management Organization, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement."

ARTICLE IX

INSURANCE

- A. Insurance Coverage.** FBR shall obtain, on behalf of the Academy, insurance in the amount required by the Academy's contract with GVSU. The Academy, FBR, and when necessary, GVSU will be named as insured. In addition, the Academy shall maintain an umbrella liability policy of two million dollars (\$2,000,000.00) with FBR listed as an additional insured. The building and related capital facilities remain the responsibility of the FBR and the FBR shall cover its property with insurance. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. Each party shall comply with any information or reporting requirements required by other party's insurer(s), to the extent reasonably practicable.
- B. Workers' Compensation Insurance.** Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

ARTICLE X

WARRANTIES AND REPRESENTATIONS

- A. Academy Warranties and Representations.** The Academy represents that it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.
- B. FBR Warranties and Representations.** FBR warrants and represents that it is a corporation in good standing and is authorized to conduct business in the State of Michigan. FBR will comply with all registration and licensing requirements relating to conducting business under this Agreement. The Academy agrees to assist FBR in applying for such licenses and permits in obtaining such approvals and consents.
- C. Mutual Warranties.** The Academy and FBR mutually warrant to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

ARTICLE XI

MISCELLANEOUS

- A. Sole Agreement.** This Agreement supercedes and replaces any and all prior agreements and understandings between the Academy and FBR.
- B. Force Majeure.** Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement under Article VI if sufficient grounds exist as required by said Article VI.
- C. State Governing Law/Waiver of Jury Trial.** The rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Michigan. FBR and the Academy hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either FBR or the Academy against the other.
- D. Agreement in Entirety.** This Agreement (including Attachments) constitutes the entire agreement of the parties.
- E. Official Notices.** All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the facsimile number or address set forth below. Notice may be given by (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice, (ii) certified or registered

mail, postage prepaid, return receipt requested, or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal or personal delivery if given by facsimile or personal delivery, or upon the date of postmark, if sent by certified or registered mail. The address of the parties hereto for the purposes aforesaid shall be:

THE ACADEMY:

Forest Academy
5196 Comstock Avenue
Kalamazoo, MI 49048
Telephone: (269) 488-2315
Facsimile: (269) 488-2317

with a copy to:

Forest Academy
School Board President
Telephone: _____
Facsimile: _____

FBR:

Foundation for Behavioral Resources
Attn: Dr. Ronald Hutchinson
600 South Lincoln Street
Augusta, MI 49012
Telephone: (269) 731-5775
Facsimile: (269) 731-5246

F. Assignment. FBR may assign this Agreement with the consent of the Academy Board.

G. Amendment. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both the President of the Academy's School Board and an authorized officer of FBR.

H. Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

I. Cost and Expenses. If any party commences an action against another party as a result of a breach or alleged breach of this Agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to FBR powers or authority of the Board which are not subject to delegation by the Board under Michigan law.

K. Compliance with Law. The parties to this Agreement agree to comply with all applicable laws and regulations.

IN WITNESS WHEREOF, the undersigned have executed this Agreement

Date: 6/28, 2011

FBR

By: Norman Peterson
Its President

Date: 6/28, 2011

Forest Academy

By: Nancy Murray
Its President

SCHEDULE 7

ACADEMY SPECIFIC INFORMATION & EDUCATIONAL PROGRAM

SCHEDULE 7-1

EDUCATIONAL GOALS AND PROGRAMS

SCHEDULE 7-1

EDUCATIONAL GOALS

Standards for Schools Serving from Kindergarten to Eighth Grade:

Standard #1: On the average of all MEAP tests administered or successor state test administered, the public school academy will meet or exceed the performance of its select peer district. A select peer district is the school district Grand Valley State University identifies as a reasonable comparison district for the public school academy.

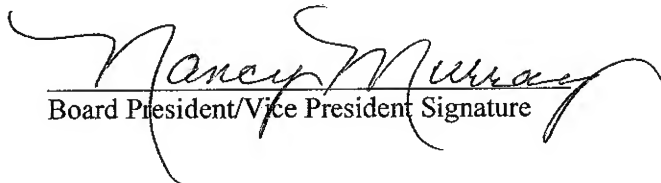
Standard #2: On the average of all MEAP tests or successor state test administered, the public school academy will meet or exceed the performance of its compositional peer district. The comparison scores for the compositional peer district are populated by the weighted total of MEAP scores from those districts in which the PSA's students physically reside.

Standard #3: The public school academy will not average more than one-half a standard deviation below GVSU's MEAP or successor state test/Free-Reduced Lunch regression model for all grades and subjects included in the model.

Standard #4: The Fall to Spring growth rate of each grade and subject for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

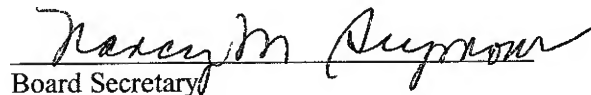
Date:

6/28/11


Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Forest Board of Directors at a properly noticed open meeting held on the 28 day of June, 2011, at which a quorum was present.


Board Secretary

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SCHEDULE 7-2

CURRICULUM

SCHEDULE 7-3

STAFF RESPONSIBILITIES

SCHEDULE 7-3

STAFF RESPONSIBILITIES

The Academy contracts with a management company, the Foundation for Behavioral Resources, which is responsible for operation of the Academy including personnel. The job descriptions for teaching, administration and support staff are attached. All staff are employees of the management company.

JOB DESCRIPTION
DIRECTOR OF SCHOOLS

QUALIFICATIONS:

Master's Degree
Demonstrate success as an educator and administrator
Demonstrate success working with families and community

REPORTS TO: FBR management

SUPERVISES: All elementary school personnel

WORK STATION: Office at FBR Augusta
Regular presence at charter academies

WORK SCHEDULE: 3 days per week – school year and as assigned

PRIMARY ROLES: The Director of Schools is a member of the Foundation executive team with delegated responsibilities at the charter schools. The director provides leadership in representing the Foundation and its schools as premier educational establishments to the student body, parents, school boards, community and education organizations through effective communication of goals and objectives.

GENERAL RESPONSIBILITIES:

1. Supervise operation of all charter elementary schools managed by FBR
2. Provide training and mentoring of school principals
3. With FBR management, design school budgets to utilize resources prudently
4. Maintain budgetary vigilance throughout school fiscal year
5. Provide guidance and assure compliance with all FBR educational program guidelines
6. Maintain frequent and professional communication with authorizer and charter school associations
7. Assure compliance with all authorizer, state and federal requirements
8. Maintain active and supportive school boards
9. Collaborate routinely and effectively with school founder
10. Identify and recommend changes in policies/procedures
11. Enthusiastically participate in development and implementation of FBR's educational system design
12. Monitor and maintain outstanding performance of teachers and students

13. With FBR management set up and implement systems to reward staff for performance
14. Maintain no other affiliations which may conflict with these responsibilities
15. Pursue opportunities for expansion of educational system and its components
16. Perform other duties as deemed appropriate by the FBR management

TERMS OF EMPLOYMENT:

Twelve month position. One year contract. Non-tenure

EVALUATION:

An annual performance review and evaluation will be conducted prior to the end of each school year.

JOB DESCRIPTION

ELEMENTARY PRINCIPAL

QUALIFICATIONS:

Master's Degree
Demonstrated success as an educator and administrator
Demonstrated success working with families and community

REPORTS TO: Director of Schools, Management Company

SUPERVISES: All Elementary School Personnel

WORK STATION: Assigned school

WORK SCHEDULE: Hours: 7:30a.m.-4:00p.m. days per week. Begin work three weeks prior to the first day of school and continue working two weeks after the last day of school as determined by the Board approved school calendar; additional time as needed and assigned.

PRIMARY ROLES: The Principal is a member of the Foundation executive team with the delegated responsibilities at a particular school site. With the advice and consent of the Foundation Executive through the Director of Schools, the Principal acts as a team leader to work effectively with school staff, students, families and community to create a positive learning environment. The Principal provides leadership in representing the Foundation and its Academy as a premier educational establishment to the student body, parents, the School Board and community through effective communication of goals and objectives.

GENERAL RESPONSIBILITIES FOR THE POSITION OF PRINCIPAL:

1. Administer and supervise all aspects of school personnel and program
2. Facilitate and maintain a cohesive team of professional educators dedicated to the success of the Academy student body
3. Administer a school code of conduct
4. Utilize Foundation administrative procedures consistent with local and State policies and Federal rules and regulations
5. Install and supervise Foundation programs of instruction that reflect a demonstrable relationship to State of Michigan Standards and the Academy's educational goals and objectives
6. Monitor student progress and performance through the use of Foundation Learning Management System program data and technology
7. Utilize Foundation Learning Management System data-bases for reports to parents, the Director of Schools and the School Board
8. Facilitate parent and community involvement with the school
9. Assure equity and non-discriminatory practices in all educational and school-related activities

10. Set high standards and expectations for students, staff, parents and self in the conduct of the educational process
11. Regularly assess teaching methods and strategies
12. Evaluate teacher effectiveness using job description and objective-based data
13. Utilize monetary, personnel and physical resources prudently
14. Maintain a safe and orderly environment
15. Communicate frequently and effectively with parents
16. Collaborate routinely and effectively with Director of Schools on all aspects of school operation
17. Develop and follow plans for effective problem-solving
18. Collaborate on the development of and use of due-process procedures in dealing with disciplinary and dismissal cases
19. Organize and regularly attend school functions
20. Identify and recommend professional development activities for staff
21. Participate in the recruitment, selection, assignment and organization of staff to maximize the accomplishment of the school's mission
22. Assist in the development of and recommendation of a school budget for each fiscal year
23. Provide reports to Director of Schools and/or Board of Education
24. Perform other duties and special assignments as requested

TERMS OF EMPLOYMENT:

Twelve (12) month position. One (1) year contract. Non-tenure

EVALUATION:

An annual performance review and evaluation will be conducted by the Director of Schools prior to the end of each school year.

**JOB DESCRIPTION
ELEMENTARY MANAGING TEACHER**

QUALIFICATIONS: Current Elementary Teaching Certificate

REPORTS TO: Principal, Director of Schools

SUPERVISES: Elementary School Students and Associate Teacher as assigned

WORK STATION: Assigned classroom

WORK SCHEDULE: Hours: 7:30 am – 4:00 pm 5 days per week. Begin work one week prior to the first day of school and continue working one week after the last day of school as determined by the Board approved calendar ; additional time as needed and assigned

PRIMARY ROLES: A Managing Teacher must be a dedicated individual capable of providing high quality instruction according to the specifications and curriculum guidelines set forth by the Academy Board of Directors, Management Company, Director of Schools and the Academy Principal

RESPONSIBILITIES INCLUDE BUT NOT LIMITED TO:

1. Utilizing Academy goals and objectives, develop and implement a coherent and high quality program of instruction which reflects a demonstrable relationship to State of Michigan Standards and Benchmarks and the Academy's educational goals and objectives
2. Create a positive learning environment
3. Complete responsibilities detailed in staff handbook
4. Work as a team member with Academy staff to maximize mastery learning by all students
5. Facilitate and actively support cohesion and productivity of team function
6. Obtain and maintain attendance and student progress data
7. Establish and utilize student progress data-base for regular reports to parents and supervisors
8. Establish and maintain an orderly and safe classroom environment
9. Implement school code of conduct
10. Establish and maintain an effective classroom management plan which enables and supports the organization and delivery of effective instruction
11. Participate in curriculum development and implementation
12. Initiate frequent contact with parents and facilitate involvement in school activities

13. Assure equity and non-discriminatory practices in all instructional practices and school-related activities
14. Set high standards and expectations for students, parents and self in the conduct of the educational process
15. Regularly assess the effectiveness of teaching methods and strategies
16. Communicate regularly and effectively with Principal and other Academy staff
17. Develop and follow plans for effective problem-solving
18. Develop and utilize due-process procedures in dealing with disciplinary problems
19. Participate in the organization of and regularly attend school functions
20. Identify and recommend professional development activities for staff
21. Participate in the recruitment new students
22. Utilize budgeted funds and other school resources effectively
23. Provide reports to Principal, the Director of Schools and/or Board of Education as requested
24. Complete professional development responsibilities as required
25. Mentors new teachers as assigned
26. Perform other duties as requested

TERMS OF EMPLOYMENT:

Twelve (12) month position. One (1) year contract. Non-tenure

EVALUATION:

A performance evaluation will be conducted by the Principal at the end of each semester with an annual summary evaluation prepared prior to the end of each school year.

**JOB DESCRIPTION
ELEMENTARY ASSOCIATE TEACHER**

- QUALIFICATIONS:** Current Elementary Teaching Certificate
- REPORTS TO:** Managing Teacher, Lead Teacher, Principal and Director of Schools, as assigned
- SUPERVISES:** Elementary School Students as assigned
- WORK STATION:** Assigned classroom
- WORK SCHEDULE:** Hours: 7:30 am – 4:00 pm 5 days per week. Begin work one week prior to the first day of school and continue working one week after the last day of school as determined by the Board approved calendar; additional time as needed and assigned
- PRIMARY ROLES:** A Teacher Associate shall perform those duties commonly discharged by teachers as detailed below. This person shall lead all classroom activities when the teacher is not available and otherwise perform teaching activities as assigned. The person must be a dedicated individual capable of providing high quality instruction according to the specifications and curriculum guidelines set forth by the Academy Board of Directors, Management Company, Director of Schools and the Academy Principal

RESPONSIBILITIES INCLUDE BUT NOT LIMITED TO:

1. Utilizing Academy goals and objectives, implement a coherent and high quality program of instruction which reflects a demonstrable relationship to State of Michigan Standards and Benchmarks and the Academy's educational goals and objectives
2. Create and foster a positive learning environment
3. Work as a team member with Academy staff to maximize mastery learning by all students
4. Facilitate and actively support cohesion and productivity of team
5. Obtain and maintain attendance and student progress data
6. Establish and utilize student progress data-base for regular reports to parents and supervisors
7. Establish and maintain an orderly and safe classroom environment
8. Implement school code of conduct
9. Establish and maintain an effective classroom management plan which enables and supports the organization and delivery of effective instruction
10. Participate in curriculum development and implementation
11. Initiate frequent contact with parents and facilitate involvement in school activities

12. Assure equity and non-discriminatory practices in all instructional practices and school-related activities
13. Set high standards and expectations for students, parents and self in the conduct of the educational process
14. Regularly assess the effectiveness of teaching methods and strategies
15. Communicate regularly and effectively with Managing Teacher, Lead Teacher, Principal and other Academy staff
16. Develop and follow plans for effective problem-solving
17. Utilize due-process procedures in dealing with disciplinary problems
18. Participate in the organization of and regularly attend school functions
19. Participate in the recruitment new students
20. Provide reports to Managing Teacher, Lead Teacher, Principal and the Director of Schools as requested
21. Complete professional development responsibilities as required
22. Perform other duties as requested

TERMS OF EMPLOYMENT:

Twelve (12) month position. One (1) year contract. Non-tenure

EVALUATION:

A performance evaluation will be conducted by the Managing Teacher, Lead Teacher and/or Principal at the end of each semester with an annual summary evaluation prepared prior to the end of each school year.

**JOB DESCRIPTION
OFFICE MANAGER**

QUALIFICATIONS: Basic computer use skills and familiarity with common office software such as Microsoft Office and be willing to expand competencies in electronic communications and data processing

REPORTS TO: School Principal

WORK STATION: School office as assigned

WORK SCHEDULE: Hours: 7:30a.m.-4:00p.m.-5 days per week. Additional time as needed and assigned

PRIMARY ROLES: The primary responsibilities of the Student Services Coordinator are to provide daily support and assistance to the Principal.

RESPONSIBILITIES:

1. Develop and maintain efficient office procedures
2. Do routine clerical and report preparation
3. Develop and maintain a record-keeping system for Academy records
4. Communicate professionally and courteously with parents, students and others associated with the academy activity
5. Develop efficient procedures and records for inventory of supplies and materials
6. Develop and maintain a system for ordering supplies, school lunches etc.
7. Learn and demonstrate ability to carry out emergency procedures at the Academy
8. Participate in building meetings when appropriate
9. Follow established procedures in receiving and delivering communications with parents, community and school officials
10. Other activities as assigned

JOB DESCRIPTION

BUSINESS MANAGER FOR CHARTER SCHOOLS

QUALIFICATIONS: Bachelor's Degree

REPORTS TO: Foundation for Behavioral Resources President

SUPERVISES: Support Staff

WORK STATION: FBR main office, Augusta

WORK SCHEDULE: Hours: 7:30a.m.-4:00p.m. 5 day per week. Additional time as needed and assigned

PRIMARY ROLES: The business manager is a team leader who works effectively with staff, students, families, school board and the community to create a positive school environment. The business manager provides guidance for the Academy staff and School Board relating to fiscal and administrative public school academy procedures.

GENERAL RESPONSIBILITIES:

1. Be familiar with all school operation regulations and compliances—MDE, CISD, KRESA, GVSU
2. Communicate regularly and effectively with Academy authorizer on all aspects of school operation.
3. Coordinate School Board business including meetings, reports, audit, fiscal reporting.
4. Assure School Board is knowledgeable of all state, federal and authorizer policies and regulations regarding school operations.
5. Develop school budget for year, for approval
6. Monitor all financial activity of school operation.
7. Coordinate all fiscal information between management company and school board
8. Manage and supervise all enrollment and student accounting systems
9. Manage marketing, advertising and sales to appropriate customer base
10. Oversee customer satisfaction efforts
11. Manage all school employee time reporting and contract compliance

12. Set high standards and expectations for self and staff in conduct of school business.
13. Communicate frequently and effectively with school personnel.
14. Maintain accurate and complete records as required.
15. Attend school functions as necessary.
16. Participate in the recruitment, selection, assignment and organization of staff to maximize the accomplishment of the school mission.
17. Perform additional tasks as requested by school, management company, or authorizer.

EVALUATION:

A performance evaluation will be completed at the end of each year.

SCHEDULE 7-4

METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT

METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT

Grand Valley State University shall evaluate the success of the Academy by considering multiple areas of performance. A Comprehensive Performance Review (CPR) system will be established by Grand Valley State University Charter Schools Office and shall include, but not be limited to, the performance of the Academy in the areas of student performance, board governance, organizational performance, compliance reporting, facility conditions, fiscal strength and reporting and other pertinent performance data, as required by federal and state law, the authorizing contract, or desired by the authorizer for review.

Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

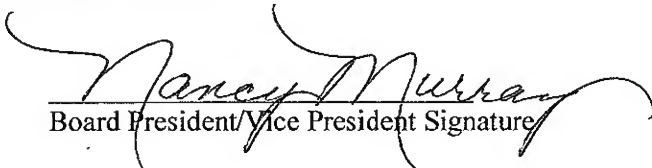
Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

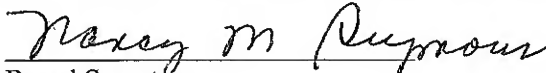
Date:

6/28/11


Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Forest Academy Board of Directors at a properly noticed open meeting held on the 28 day of JUN, 2011, at which a quorum was present.


Board Secretary

SCHEDULE 7-5

ACADEMY'S ADMISSION POLICIES AND CRITERIA

**FOREST ACADEMY
ADMISSION POLICY AND CRITERIA**

1. Legal Requirements Relating to Admissions

- A. The Academy shall not discriminate on the basis of intellectual or athletic abilities.
- B. The Academy shall not discriminate on the basis of "measures of achievement or aptitude."
- C. The Academy shall not discriminate on the status as a handicapped person or any other basis that would be illegal for an existing school district.
- D. The Academy shall provide for the education of its pupils without discrimination as to religion, creed, race, sex, color or national origin. The Academy shall comply with all state and federal civil rights laws.
- E. The Academy shall not charge tuition (but may charge fees in the same manner as existing public schools).
- F. The Academy shall not enroll any student who is not a resident of this state, except a foreign exchange student.
- G. The Academy shall comply with all state and federal laws applicable to public schools concerning church-state issues.

2. Public Notice and Application/Enrollment Process

Notice of the enrollment period and application process will be designed to inform the persons most likely to be interested in the school. The time periods offered to those persons interested in enrollment and interview processes will include some evening and weekend times. If the Academy has more applicants than available space, it will select students (from among qualified applicants) using a random selection method. The Academy will give priority admission to siblings of students already enrolled and to students enrolled and admitted in the prior year.

The Academy will accept applications from the first day of school until the last business day in February of each year for the subsequent academic year. If applications exceed positions available, the last business day of February of each year shall be the deadline for applications to be drawn by random selection. Interested parties may obtain applications from either the Forest Academy, or the Foundation for Behavioral Resources at 600 South Lincoln Street, Augusta, MI 49012. Interested parties may also call Forest Academy at (269) 488-2315 or FBR at (616) 731-5775 to obtain applications. FBR will mail, email or fax applications to anyone requesting an application by telephone.

The Academy Board will provide notice of open enrollment by:

- (i) mailing written notice of the open enrollment period and an application to all families who inquire about Academy enrollment; and
- (ii) posting written notice of open enrollment period at the Academy's and FBR's principal offices; and
- (iii) either airing a public service announcement on local Cable television and/or radio announcing the open enrollment period and application process and/or
- (iv) printing a written notice of the enrollment period in the local newspaper.

3. 2011-2012 Application Procedure

People interested in applying for the 2011-12 school year may obtain applications at the Academy or FBR on weekdays beginning May 2, 2011, through July 22, 2011, between the hours of 8:30 a.m. and 4:00 p.m. FBR will mail, email or fax applications to anyone requesting an application by telephone. All applications received after July 23, 2011 but before the lottery will not be eligible to participate in the lottery.

4. Student Selection

After the first year, the deadline for applications shall be the last business day in February of every year. If the number of applicants for a classroom exceeds the number of positions available, the Academy will hold a random selection lottery during or prior to the second week of March. The random selection drawing shall be open to the public, and the Academy will notify all applicants of the time and place. Names will be drawn until all available classroom positions have been filled. Any remaining names will be drawn to establish waiting list priority to be used to fill openings during the school year for which the student applied. After all eligible names have been drawn, the Academy will add the names of applicants after the last business day in February. All post-deadline applicants will be added in the order in which they are received.

New students may be admitted after the start of the first semester if there are classroom openings. Similarly, the Academy may admit new students after the second semester begins, but only up to and through the business day prior to the second semester official student count day as established by the state if classroom openings exist. In either case, admissions will be of students drawn randomly from the eligible roll, or as above described by preference of prior enrollment or current family enrollments.

- The Academy may make an exception to this policy if the following two conditions apply:
 - 1) there is a classroom vacancy with the certified teachers employed as of the second semester, third quarter, official student count day as established by the state; and
 - 2) there are no other applicants on the waiting list eligible to fill that classroom vacancy.

Approved:

Board President

 Date: 5-9-11

SCHEDULE 7-6

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Forest Academy Daily Schedule

(6 Hours and 20 minutes of Instruction)

8:20 AM School Day Begins

8:20 AM - 12:05 PM Instruction

11:30 AM Morning Kindergarten Dismissed

12:05 PM - 12:55 PM Lunch Period

12:20 PM Afternoon Kindergarten Begins

12:55 PM - 3:30 PM Instruction

3:30 PM School Day Ends

FOREST ACADEMY
2011 – 2012 School Calendar

First Semester

September 6 th	First Day of School
November 4 th	Half Day for Students
	End of 1st Marking Period
November 15 th – 16 th	Parent/Teacher Conferences
November 23 rd – 25 th	Thanksgiving Recess
December 19 th – Jan 3 rd	Winter Recess
January 4 th	School Resumes
January 16 th	No School – Teacher Records Day
January 20 th	Last Day of First Semester

Second Semester

January 23 rd	First Day of Second Semester
February 20 th	No School-Professional Development
March 23 rd	Half Day for Students
	End of 3rd Marking Period
March 27 th – 28 th	Parent/Teacher Conferences
April 2 nd – 6 th	Spring Break
May 28 th	No School - Memorial Day
June 8 th	Last Day of School
	Half Day for Students

Kindergarten AM – 8:20 am – 11:30 am
PM – 12:20 pm – 3:30 pm

First – Sixth 8:20 am – 3:30 pm

Lunch/Recess 12:05 pm – 12:55 pm

SCHEDULE 7-7

AGE/GRADE RANGE OF PUPILS ENROLLED

Forest Academy, located at 5196 Comstock Avenue, Kalamazoo, Michigan offers kindergarten through sixth grades to age-appropriate students. Forest Academy may add grades with written approval of the Charter Schools Office or the Grand Valley State University Board of Trustees.

SCHEDULE 7-8

**ADDRESS AND DESCRIPTION OF PROPOSED PHYSICAL PLANT; LEASE
OR DEED FOR PROPOSED SITE; OCCUPANCY CERTIFICATE**

Schedule 7-8
Address and Description of Physical Plant

Forest Academy
5196 Comstock Avenue
Kalamazoo, Michigan 49048

Forest Academy is a one-story, primarily brick building consisting of approximately 44,000 square feet. The building was previously used as a Kalamazoo Christian East Elementary School, and is being updated to comply with current codes. The land includes a playground.

FOUNDATION FOR BEHAVIORAL RESOURCES
AND
FOREST ACADEMY BOARD OF DIRECTORS

This lease agreement made and entered by and between the Foundation for Behavioral Resources, 600 South Lincoln Street, Augusta, Michigan 49012, herein after referred to as "landlord", and Forest Academy Board of Directors, 5196 Comstock Avenue, Kalamazoo, Michigan 49048, herein after referred to as "tenant."

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. Description. For and in consideration of the reimbursements and covenants herein contained, landlord does hereby make available a building located at 5196 Comstock Avenue, Kalamazoo, Michigan, including adjacent land, playground and parking. The said building, consisting of approximately 44,000 square feet except for classrooms 102-108 & the north one-third of the media center with the improvements thereon and appurtenances thereto, are hereinafter referred to as the "premises."

2. Term. The term of this Agreement shall commence on July 1, 2011 and terminate on June 30, 2012.

3. Cost Apportionment. The annual cost for space shall be \$ 170,000.00. Payment shall be made in twelve installments in the amount of \$14,423.00. Payments shall commence on July 1, 2011 and continuing on the 1st day of each month thereafter through June 30, 2012.

4. Utilities. Water, gas, electricity and garbage disposal are the responsibility of the tenant.

5. Custodial. Tenant shall maintain the yard in and about the premises in a neat, tidy manner. Tenant shall be responsible for the removal of snow and ice from the sidewalk areas and shall provide janitorial maintenance for the entire building.

6. Use of the Premises. Parties to the agreement shall use the premises for the purpose of operating a public charter school. No other use will occur without the prior written consent of landlord.

Neither party shall permit the premises or any part thereof to be used in any manner, or anything to be done therein, or permit anything to be brought into or maintained in the premises which would in any way:

- A. Violate any law, regulation or requirement of public authorities;
- B. Cause structural injury to the building or any part thereof;
- C. Interfere with the normal operations of the heating, ventilating, plumbing or other mechanical or electrical systems of the building;
- D. Constitute a public or private nuisance;
- E. Alter the appearance of the exterior of the building or any portion of the interior thereof;

7. Maintenance of the Premises. Landlord shall, provided it shall have knowledge of the need thereof, at its own expense, make all necessary structural repairs and maintain in good condition and make all repairs to the walls of the leased premises, the electrical wiring, plumbing, and heating facilities serving the premises, and any other repairs necessary to correct any latent defects. In the event any such repairs are necessitated by the acts, omissions, and/or negligence of the tenant, its agents, employees or invitees, then, in such event, landlord shall make repair but tenant shall be financially responsible for such repairs and maintenance. All damage to the premises and/or building caused by tenant, its servants, employees, agents, business invitees, or licensees (normal wear and tear expected) shall be repaired, restored, or replaced promptly by tenant to the reasonable satisfaction of landlord at sole cost and expense of tenant. All such repairs and any restorations or replacements required in connection therewith shall be of a quality and class at least equal to the original work or installations and shall be done in a good and workmanlike manner.

8. Insurance. Tenant shall provide fire, wind, and extended coverage insurance on the building in an amount acceptable to the landlord.

The tenant at its own cost and expense, shall maintain valid and enforceable insurance protecting and indemnifying landlord against any and all claims for injury or damage to persons or property or for the loss of life, or of property occurring upon, in, or about the leased premises. Such insurance shall have minimum limits during the term of this Agreement of not less than 1 million in respect of bodily injury or death of any one

person in respect of any one occurrence or accident and 2 million aggregate. Tenant shall maintain not less than \$1,500,000 insurance for property damage. Landlord shall be named as an additional insured on all policies, and Tenant shall provide an insurance certificate indicative thereof.

Tenant shall be responsible for maintaining such insurance upon its personal property as it shall deem necessary.

9. Waiver of Subrogation In Insured Loss. Each party agrees to include in its insurance policies a waiver of the insurer's right of subrogation against the other party. Each party hereby releases the other party with respect to any claim (including any claim for negligence) which it might otherwise have against the other party for loss, damages, or destruction, with respect to its property by fire or other casualty (including rental value or business interest as the case may be) occurring during the term of this Agreement to the extent loss is covered by an insurance policy maintained by the parties suffering the loss.

10. Improvements. It is agreed by the parties hereto that no modifications or alterations are to be made by tenant nor equipment installed without the express written consent for landlord. All such addition, modifications or alterations consented to by landlord are to be made only at the expense of tenant. Tenant shall save landlord harmless from all liens and encumbrances on the leased premises as a result of improvement installed by tenant.

Upon termination of this Agreement, said modifications or alterations may be removed and the premises in the area of the removal restored to a condition comparable with the area surrounding the removal area.

Any and all such additions, alterations and modifications shall be made in accordance with all laws, ordinances, or regulations applicable to the school premises.

11. Damage to or Destruction of the Premises. In the event the premises shall be destroyed by fire, casualty, or other cause during the term hereof, this Agreement shall terminate and all reimbursements herein provided shall be prorated to the date of destruction. In the event of partial destruction, landlord shall have the option of restoring the premises or terminating this Agreement. In the event of partial destruction, all

reimbursements herein provided shall be prorated for the portion rendered untenable until the same shall have been restored to a tenantable condition.

12. Assignment and Subletting. Tenant shall not, by operation of law or otherwise, assign, mortgage, or encumber this Agreement or sublet or permit the premises or any part thereof to be used by others, without landlord's prior written consent in each instance.

13. Access to Premises. Landlord shall have access to enter upon the premises at all reasonable hours for the purpose of inspecting, repairing, and, maintaining.

14. Default. In the event of the default of tenant in the reimbursements specified or any other payment to be made pursuant to this Agreement, or in the performance or observance of any of the conditions, agreements, or covenants of this Agreement, landlord may, at its option, after giving seven (7) days prior written notice thereof in the case of the default in payment of any money or after giving fourteen (14) days written notice thereof in the case of any other default, and in the further event that such default is not corrected within the relevant seven (7) or fourteen (14) day period, terminate this Agreement and re-enter the said premises and remove all persons therefrom pursuant to the statute in such case made and provided.

15. Quiet Enjoyment. Landlord warrants that tenant, upon paying the said reimbursements and performing the covenants herein contained, shall peacefully and quietly have, hold, and enjoy said premises during the term of this Agreement.

16. Notices. Any notices to be served pursuant to this Agreement shall be deemed satisfactorily served if mailed by ordinary mail with first-class postage pre-paid to the address of the party as herein set forth. Service of the notice shall be deemed made on the date following the mailing.

17. Continuity of Agreement. This Agreement shall be deemed binding upon the respective heirs, personal representative, successors and assigns of the parties hereto. It is further agreed that this Agreement supersedes and replaces all prior agreement, verbal or written, between the parties hereto and pertaining to the leased premises.

18. Waiver. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by landlord of payments by tenant with knowledge of the breach of any covenant of this Agreement shall not be deemed a waiver of such breach. No provision in this Agreement shall be deemed to have been waived by either party, unless such waiver is in writing signed by such party. No payment by tenant or receipt by landlord of a lesser amount than the monthly reimbursement herein stipulated shall be deemed to be other than on account of the earliest stipulated reimbursement, nor shall any endorsement or statement on any check or any letter accompanying and check or payment be deemed an accord and satisfaction, and landlord may accept such check or payment without prejudice to landlord's right to recover the balance of such reimbursement or pursue any other remedy provided in this Agreement.

19. Severability. If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and the balance of the terms and provisions of the Agreement shall be valid and enforceable to the fullest extent either hereunder or as permitted by law.

20. Surrender of Premises. Upon the expiration or the termination of this Agreement for any reason, tenant shall surrender the premises to landlord in like condition as when it took possession thereof, excepting ordinary wear and tear and damage by the elements, within seven (7) days of such expiration or termination. Any personal property not removed from the premises on or before seven (7) days after termination of the Agreement shall be deemed abandoned and landlord may remove said property from the premises without any obligation to reimburse tenant or any other owner thereof for its value.

24. State of Interpretation. This Agreement shall be interpreted under the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed
The day and year first above set forth.

Executed in the Presence of:

Deena

Executed in the Presence of:

Deena

fbragreement

FOUNDATION FOR BEHAVIORAL
RESOURCES

By: Norman Peterson

Its: Treasurer

FOREST ACADEMY BOARD OF
DIRECTORS

By: Nancy Murray

Its: President